

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, CA 95814



August 29, 2005

Regulation Package #0305-04

CDSS MANUAL LETTER NO. OPS-05-01

TO: HOLDERS OF THE OPERATIONS MANUAL, DIVISION 11

**Regulation Package #0305-04****Effective 8/1/05****Sections 11-400, 11-402, 11-403 and 11-406**

This manual letter has been posted on the Office of Regulations Development website at [http://www.dss.cahwnet.gov/ord/Operations\\_619.htm](http://www.dss.cahwnet.gov/ord/Operations_619.htm).

These emergency regulations will implement the provisions of Welfare and Institutions Code Sections 11462(a)(3), 11463(i) and 11466.2(a). Welfare and Institutions Code Section 11462(a)(3) requires CDSS to determine the rate classification level (RCL) for each group home program on a biennial basis according to a schedule established by CDSS. Similarly, Welfare and Institutions Code Section 11463(i) requires CDSS to determine the rate category for each foster family agency on a biennial basis according to a schedule established by CDSS. Welfare and Institutions Code Section 11466.2(a) specifies that a non-provisional program audit period may be less than the period for which the rate is established.

Currently, the RCL for a group home program and the rate category for a foster family agency is established on an annual basis. Existing regulations contain provisions regarding the rate application/request due date, what constitutes a complete rate application, when a rate become effective, penalty provisions for submission of an incomplete or late rate application/request, procedures for requesting a "good cause" extension to the rate application/request due date, and the rate termination and reinstatement process. These regulations constitute a scheme for setting rates on an annual basis.

These regulations will amend existing policies and procedures pertaining to the current annual system and adopt additional regulations to implement a biennial system as required by statute. Proposed regulations will revise the rate application/request due date and rate effective date, revise the penalty provisions, revise the due dates related to "good cause" extensions, and add three definitions necessary for clarity. These regulatory amendments are necessary to implement a biennial rate setting system that is coherent and equitable to the persons who are subject to them.

These regulations were adopted on an emergency basis effective August 1, 2005 and will be considered at the Department's public hearing held on September 14, 2005.

## **FILING INSTRUCTIONS**

**Revisions to all manuals are indicated by a vertical line in the left margin.** The attached pages are to be entered in your copy of the Manual of Policies and Procedures. The latest prior manual letter containing Operations Manual regulation changes was OPS-04-01.

<u>Page(s)</u>	<u>Replace(s)</u>
41 through 48	Pages 41 through 48
49.1 and 50	Pages 49.1 and 50
53 through 58	Pages 53 through 58
67 and 68	Pages 67 and 68
73 through 74	Pages 73 through 74
76.1 through 86	Pages 76.1 through 86
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97 through 132	Pages 97 through 132
133 and 134	Pages 133 and 134
137 through 146	Pages 137 through 146
153	Page 153
162 through 170	Pages 162 through 170
174.4 through 174.6	Pages 174.4 and 174.5

Attachments

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**11-400 AFDC-FOSTER CARE RATES - DEFINITIONS****11-400**

Definitions. For purposes of the Foster Care Program, the following definitions shall apply wherever the terms are used throughout Chapter 11-400:

- a. (1) "Accredited" schools, colleges or universities, including correspondence courses offered by the same, means those educational institutions or programs granted public recognition as meeting established standards and requirements of an accrediting agency authorized by the U.S. Secretary of Education.

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Authorized accrediting agencies include the Accrediting Commission, National Home Study, the Accrediting Bureau of Health Education Schools, the Association of Independent Colleges and Schools, the National Association of Trade and Technical Schools, and the Eastern Association of Schools and Colleges.

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- (2) "Approved" schools, colleges or universities, including correspondence courses offered by the same, means those approved/authorized by the U.S. Department of Education, Office of Postsecondary Education or by the California Department of Consumer Affairs, Bureau for Private Postsecondary and Vocational Education, pursuant to Education Code Sections 94900 or 94915.
- (3) Assessed/Qualified Child - A child eligible to be placed in a certified group home program classified at rate classification level (RCL) 13 or RCL 14. The child must be assessed as seriously emotionally disturbed and in need of the level of services provided in the group home program classified at RCL 13 or RCL 14. The determination that a child is an assessed/qualified child shall comply with Section 11-402.182. An assessed/qualified child shall not be a child who needs inpatient care in a licensed health facility.
- (4) Audit Period - The time period(s) which is reported in an Audit Report.
- (5) Audit Report - A report issued by the Department in accordance with Section 11-430.113 concerning the audit findings in a program and/or fiscal audit. The report may contain one or more audit periods but shall represent only one overpayment for determining whether Sections 11-402.667 and 11-402.668 are applicable.
- b. (1) Balancing - A method for the recovery of a full or partial overpayment by crediting an amount owed to a provider towards repayment of a sustained overpayment amount.
- (2) Base Factor - The 1.0 weighting for each eligible hour of child care and supervision (CCS).
- (3) Basic Rate - The rate paid on behalf of AFDC-FC child placed in a family home exclusive of any specialized care increment.

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- (4) Behavioral Science - The study of personal relationships, the results of which would improve a person's behavior, health, or happiness. Behavioral science subjects include, but are not limited to, child development, psychology, counseling and guidance, early childhood education, human services, nursing, social science, social welfare, social work, and sociology.
- (5) Repealed by Manual Letter No. OPS-99-05, effective 12/10/99.
- c. (1) "Certified Family Home" means a family residence certified by a licensed foster family agency and issued a certificate of approval by that agency as meeting licensing standards, and used only by the foster family agency for placements.
- (2) Certified Group Home Program - A group home program, accepting only assessed/qualified children, that is classified at RCL 13 or RCL 14 and that is certified by the State Department of Mental Health or its designee as a program that provides mental health treatment services for seriously emotionally disturbed children.
- (3) Child Care and Supervision (CCS) - One of the three program components of the standardized rate setting system consisting of the performance of duties identified as child care duties in the employee's duty statement and provided for in Title 22, California Code of Regulations, Division 6, Section 80001(c)(3) and 84065.2(b) unless restricted by the August 30th Report, "FUNDING FROM OTHER SOURCES," page 6.

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Title 22, Section 80001(c)(3) states:

- (c)(3) "Care and Supervision" means any one or more of the following activities provided by a person or facility to meet the needs of the clients:
  - (A) Assistance in dressing, grooming, bathing and other personal hygiene.
  - (B) Assistance with taking medication, as specified in Section 80075.
  - (C) Central storing and/or distribution of medications, as specified in Section 80075.
  - (D) Arrangement of and assistance with medical and dental care.
  - (E) Maintenance of house rules for the protection of clients.
  - (F) Supervision of client schedules and activities.
  - (G) Maintenance and/or supervision of client cash resources or property.

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- (H) Monitoring food intake or special diets.
- (I) Providing basic services as defined in Section 80001b.(2).

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- (4) Child Care Duties - The duties required of the child care staff as provided for in Title 22, California Code of Regulations, Division 6, Section 84065.2(b) unless restricted by the August 30th Report, "FUNDING FROM OTHER SOURCES," page 6.

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Title 22, Section 84065.2(b) states:

- "(b) Child care staff shall perform the following duties:
  - (1) Supervision, protection and care of children individually and in groups at all times.
  - (2) Assistance to each child in working with a group and in handling individual problems.
  - (3) Administration of discipline and setting of limits for behavior.
  - (4) Notation of the child's progress; identification of the possible need for professional services; and communication of such findings to professional staff."

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- (5) Until they complete the 8 hours of training as required in Section 84065(i)(1), new child care staff hired on or after July 1, 1999 shall perform the duties as defined in Subsections (1) through (4) above while under visual supervision.

The August 30th Report states:

**"FUNDING FROM OTHER SOURCES**

The Department recognizes that circumstances may arise when it is not clear whether staff hours associated with a particular activity fall into one of the program components used for classification purposes. Such circumstances will be determined by the Department on a case-by-case basis. As a general rule, however, the source of the revenue received by the group home provider to fund an activity will be used to make this determination.

For example, a group home program may have a staff (sic) person with professional qualifications in education who works with the children on their school work outside of the school classroom. Many children in foster care are below grade level and need special attention.

If the provider receives funding for this activity through the education system, it is considered an educational activity, which is not one of the three program components used for classification purposes.

However, if the provider is not otherwise funded for this activity, it may be considered a parental-type activity (helping one's child with his/her home work) that is allowable for funding under AFDC-FC and the hours will be counted as Child Care and Supervision for classification purposes. In "gray" areas such as this, considering the source of revenue used to fund an activity will allow the Department to avoid the possibility of duplication of funding from other public sources."

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- (5) Child Care Worker - A group home employee, identified as a child care worker in the employee's duty statement, engaged in providing child care and supervision duties and who meets CCL licensing requirements as specified in Title 22, California Code of Regulations, Division 6. A child care worker in a Community Treatment Facility who meets CCL personnel requirements as specified in Title 22, Division 6, Chapter 5, Section 84165(d) and (e), California Code of Regulations, or who is otherwise deemed to be a child care worker by CCLD.
- (6) Community Treatment Facility - means a facility defined in Health and Safety Code Section 1502(a)(8), certified as a Community Treatment Facility by the California Department of Mental Health (CDMH) and licensed as a Community Treatment Facility by the California Department of Social Services (CDSS), Community Care Licensing Division (CCL).

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(7) Community Treatment Facility Licensed Nursing Staff - means a person employed by a Community Treatment Facility and licensed as a registered nurse by the California Board of Registered Nursing; or a vocational nurse or psychiatric technician licensed by the California Board of Vocational Nurses and Psychiatric Technician Examiners to perform functions within their scope of practice.

| d. (1) Date of Issuance - The date an audit report is mailed by the Department, as shown by the postmark on the envelope containing the report, or by proof of service.

| (2) Date of Mailing - The date any correspondence is mailed by the Department, as shown by the postmark on the envelope or by proof of service.

| (3) Date of Receipt - The date a group home provider or foster family agency receives a document from the Department, as shown by a signed certified mail receipt or by operation of the mailbox rule.

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A party is deemed to receive documents mailed through the United States Postal Service five days after the documents are deposited in a sealed envelope with postage paid at an official postal mailing site, if the place of address is within California, or 10 days if the place of address is outside California but within the United States.

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| (4) Department - the California Department of Social Services.

| (5) Direct Contact Contract - An agreement between a group home provider and a social worker, as defined in Section 11-400s.(5) exclusively for direct social work activities to children in care in accordance with Sections 11-402.212(a)(2)(A) and 11-402.222(d). The social worker that is eligible for double weighting shall be an Independent Contractor as provided by state and federal laws, including Section 3353 of the California Labor Code.

| (6) Director - the Director of the Department of Social Services.

| (7) Due Date - The date a group home rate application, a request for good cause or an additional information request is due. If this date falls on a weekend or a legal holiday, the due date is the next business day. If this information is mailed, it shall be postmarked on or before the due date.

| (8) Duplicate - a facsimile copy of the original produced by photocopying or some other technique of accurate reproduction.



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- e. (1) Eligible Hour - The unit of time which shall be subject to the allocation requirements contained in the August 30th Report, Page 5 (See Handbook Example following Section 11-402.211(a)(5)), in CCS, social work activities, or mental health treatment services which may be weighted to determine points. The following shall not meet the criteria of an eligible hour:
- (A) Any on-call hours for any personnel.
- (B) Any hour of service provided by an employee in direct contact with a child that is not child care and supervision, social work activities, or mental health treatment services.
- (2) Emergency Placement - The placement of a child placed prior to determination that the child qualifies as an assessed/qualified child where placement is in a certified group home program classified at RCL 13 or RCL 14. The child must be evaluated by a mental health professional as described in Section 11-400m.(3).
- f. (1) Fail to Maintain - An unplanned group home program modification which decreases the level of care and services associated with the RCL upon which the rate was established.
- (2) Family Group - means no more than six children, under the age of six years, and the houseparents.
- (3) Family Home shall be defined in accordance with Section 45-101(f)(1).

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The term family home is defined in Section 45-101(f)(1) as follows: Family Home - the family residence of a licensee in which 24-hour care and supervision are provided for children and which is licensed by the appropriate community care licensing agency or a family residence which is approved and which provides care and supervision. For rate setting purposes, the term family home shall include homes licensed as foster family homes, or small family homes and homes which are approved. See Section 45-101(a)(2) for definition of approved home.

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- (4) Financial Audit - An audit by a certified public accountant or a state-licensed public accountant that includes all the programs, and activities, and cost data of a non-profit corporation which operates a group home and/or foster family agency which provides treatment services. Submission of the financial audit report is a condition of receiving a group home program rate and/or a foster family agency treatment rate.

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- (5) Financial Audit Report - A written report which contains an opinion on the corporation's internal controls and which states whether, in all material respects, the most recent financial statements are presented fairly in accordance with generally accepted accounting principles. See Section 11-405.2 for additional requirements.
- (6) First-line Supervisor - A group home employee responsible for the direct supervision of child care workers. This includes residential counselors, program specialists, nurses, and other supervisory staff, regardless of title, where there is documentation of direct supervision of child care workers.
- (7) Fiscal Audit - An audit conducted to determine whether the cost data and other financial information submitted by a group home or foster family agency is accurate and supported and to determine whether misuse or fraud has occurred.
- (8) Fiscal Year - Any consecutive 12-month period adopted as the annual accounting period.
  - (A) The state fiscal year begins July 1 and ends June 30 of the following year, unless otherwise specified.
  - (B) A provider may adopt any consecutive 12-month period as its annual accounting period. This period is the same for all accounting and reporting periods.
- (9) Formal Education - Completed college credits from an accredited or approved college or university.
- (10) Formal Hearing - (A) An administrative hearing conducted by an Administrative Law Judge to review a Report of Findings of an informal level hearing officer of audit findings disputed by a group home provider, foster family agency, or the Department; or (B) An administrative hearing to review the contention of a group home provider or foster family agency that does not concur with a rate setting protest decision letter pursuant to Sections 11-430.4 through 11-430.74; or (C) An administrative hearing conducted by an Administrative Law Judge to review a Statement of Disputed Audit Findings filed by a group home provider to protest the reduction of a provisional rate as a result of a program audit.
- (11) Foster Family Agency shall be defined in accordance with Section 45-101(f)(6).

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The term foster family agency is defined in Section 45-101(f)(6) as follows: Foster family agency means any individual or organization engaged in the recruiting, certifying, and training of, and providing professional support to, foster parents, or in finding homes or other places for placement of children for temporary or permanent care who require that level of care as an alternative to a group home. Private foster family agencies shall be organized and operated on a nonprofit basis.

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- (12) Foster Family Agency Basic Rate - the minimum rate that a foster family agency is required to pay to the certified foster parents on behalf of an AFDC-FC eligible child exclusive of any additional increment.
- (13) Fraud - Fraud is an intentional misrepresentation or concealment of information in order to acquire something of value. Fraud includes the intentional false reporting of financial information or illegal acts resulting in material misstatements to the non-profit corporation's financial statements. Fraud also includes the misappropriation of assets by means of deception, theft, embezzlement, or material misrepresentation, which results in the illegal expenditure of funds.
- (14) Frozen Rate - A cost-based rate set by the Department prior to July 1, 1990 based on a program's actual historical costs which is greater than the standard rate for the group home program's rate classification level (RCL) on July 1, 1990.
- (15) Full-time Equivalent (FTE) Position- A total of 40 hours for one week or a total of 173 hours for one month filled by one or more employees.

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Example: The ABC group home has five child care workers who work from 15 to 54 hours per week and one full-time first-line supervisor. The combined number of hours they are expected to work in the next 12-month period is 12,636. Divide the hours worked by 2080 (annualized full-time equivalent based on a 40-hour work week) = 6.075 FTE.

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- g. (1) Good Cause - The inability to respond to a required action due to circumstances beyond the control of the group home provider/foster family agency including, but not limited to, natural disasters and emergency medical situations.
- (2) Group home shall be defined in accordance with Welfare and Institutions Code Section 11400(h) and also includes a Community Treatment Facility for purposes of Division 11.

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- (A) The term group home is defined in Welfare and Institutions Code Section 11400(h) as follows:
- "'Group Home' means a nondetention privately operated residential home, organized and operated on a nonprofit basis only, of any capacity, that provides services in a group setting to children in need of care and supervision, as required by paragraph (1) of subdivision (a) of Section 1502 of the Health and Safety Code."

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**11-400 AFDC-FOSTER CARE RATES - DEFINITIONS (Continued)**

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1. Health and Safety Code Section 1502(a)(1) states: "'Residential facility' means any family home, group care facility, or similar facility determined by the director, for 24-hour nonmedical care of persons in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual."

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- (3) Group Home Administrator Certificate - A certificate issued by Community Care Licensing (CCL) indicating completion of that program as required in Health and Safety Code Section 1522.41(b)(1).
- (4) Repealed by Manual Letter No. OPS 99-05, effective 12/10/99.
- h. (1) Host County - The county in which the majority of an agency's foster family homes or group home facilities are located. If the program has facilities in more than one county, the host county shall be that of the facility where the greatest number of children are placed.
- (2) Houseparent - means the consistent, nurturing adult who resides with the family group, provides daily care for no more than three children, and is involved in the long-range planning for those children during the group home placement, and who meets the personnel requirements stated in Title 22, Division 6, Section 84265(d), (f), (g), and (i) and who meets the Community Care Licensing requirements for a child care worker pursuant to Section 11-400c.(5).
- (3) Houseparent Duties - means: (1) teaching social skills, (2) teaching motor skills, (3) teaching self-care skills, and (4) other child care services as defined in Section 11-400(c)(3).
- i. (1) Infant Supplement - the amount paid to an eligible facility in addition to the AFDC-FC payment for a minor parent for a child living with his/her minor parent(s).
- (2) Informal Hearing - An administrative review hearing conducted by a hearing officer to examine group home program audit findings disputed by the group home provider in a Statement of Disputed Audit Findings pursuant to Sections 11-430.12 through 11-430.146.

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- (3) Inpatient Care in a Licensed Health Facility shall be defined in accordance with Health and Safety Code Section 1502.4(a)(2)(A) as follows:

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"Inpatient care in a licensed health facility' means care and supervision at a level greater than incidental medical services as specified in Section 1507."

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- (4) Interagency Placement Committee (IPC) - A committee established by the county, with a membership that includes at minimum a representative of the county placement agency and a mental health professional from the county department of mental health. The IPC determines whether a child whose placement is funded by AFDC-FC is an assessed placement and in need of the care and services provided by the group home program classified at RCL 13 or RCL 14.

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- j. (Reserved)
- k. (Reserved)
- l.
  - (1) Leaseback - For the purposes of these regulations, leasebacks are limited to the following business arrangements: affiliated leasebacks, less-than-arms' length leases, and long-term leases that create material or financial interest in land or real property.
  - (2) Licensed Clinical Social Worker (LCSW) - An individual who has been licensed by the California Board of Behavioral Science Examiners to provide clinical social work services which may be defined as social work activity or mental health treatment services.
  - (3) Licensed Marriage, Family and Child Counselor (LMFCC) - An individual who has been licensed by the California Board of Behavioral Science Examiners to provide marriage, family and child counseling which may be defined as social work activities or mental health treatment services.
  - (4) Lien - A certificate lien established pursuant to Section 11466.33 of the Welfare and Institutions Code or any judgement lien created under Part 2, Title 9, Division 2, Chapter 2 (commencing with Section 690.010) of the California Code of Civil Procedure. If an amount is due and payable to the Department as a result of a sustained overpayment, the Department may, as one of its involuntary collection procedures, file a certificate lien with a county clerk and bring an action in superior court to seek a judgement lien.
  - (5) Licensed Marriage, Family Therapist – An individual who has been licensed by the California Board of Behavioral Science Examiners to provide marriage and family therapy which may be defined as social work activities or mental health treatment services.
- m.
  - (1) Mandatory Repayment Schedule - Shall be defined in accordance with Section 11466.22(d)(4) of the Welfare and Institutions Code.

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Welfare and Institutions Code Section 11466.22(d)(4) states:

"The department shall establish an involuntary overpayment collection procedure, that shall take into account the amount of the overpayment, projected annual income, a minimum required repayment amount, including principal and interest, of 5 percent of the annual income prorated on a monthly basis, simple interest on the overpayment amount based on the Surplus Money Investment Fund, and a maximum repayment period of seven years. The department may establish regulations permitting the director at his or her discretion to renegotiate the involuntary payment agreement if the director determines that the agreement would cause severe harm to children in placement."

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- n. (1) New foster family agency program - is one which:
- (A) Serves an entirely different population at an entirely different level of service than that currently served by the foster family agency's existing program(s); and
  - (B) Is either based in different certified family home(s) than the current program(s) operated by the foster family agency, or the current program(s) operated by the foster family agency is replaced by an entirely new program.
- (2) New foster family agency provider - is one who:
- (A) Has not operated a foster family agency or group home program for AFDC-FC funded children in the fiscal year preceding that for which the rate is being set; or
  - (B) Has operated a foster family agency in the fiscal year preceding that for which the rate is being set but did not accept AFDC-FC funded children during that fiscal year; and
  - (C) Has not merely added a new program; increased the level of services provided; changed incorporation; reorganized; or changed name, location, ownership or license.

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- (3) New Program - A new program provided by an existing provider is one in which:
- (A) The type of children to be accepted have measurable differences in their characteristics, behaviors, or need for care and services due to the type of background and any medical, mental, social or emotional conditions which are different than those children in the provider's existing program(s) as described in the new program statement; and

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- (B) The staffing pattern is quantitatively different, whether or not the RCL changes, because:
- (1) The number of eligible hours per child per month in at least one program component is different from the provider's existing program(s); and
  - (2) The staff's professional levels for the proposed program are disparate from those in the provider's existing program(s).
- (4) New Provider - A sole proprietor, partnership, or corporate entity who has not operated a group home which receives funding from AFDC-FC or severely emotionally disturbed (SED) in the preceding rate period.
- (5) Nonprofit Organization - Any corporation which (1) is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest; (2) is not organized primarily for profit; and (3) uses its net proceeds to maintain, improve, and/or expand its operations.
- o. (1) Offset - A payment to a group home program from government sources other than the AFDC-FC program and restricted donations from public and private sources specified to fund an allowable cost.
- (2) On-going Rate Request or Rate Application – A foster family agency rate request or a group home program rate application that is submitted by the agency or the provider, according to a schedule determined by the Department, in order to continue receiving an AFDC-FC rate.
- (3) On-going Training - Training which is structured as a training session; announced ahead for a particular time and place; presented by a trainer qualified to train in the specific subject matter; any costs incurred for the trainer, tuition, conference fees, and employee's cost of attendance, including wages or salary, shall be paid by the provider; and relates directly to the program as described in the program statement.
- (A) For group home programs serving children under six, on-going training provided by group homes to houseparents must include the on-going training described in Title 22, Division 6, Section 84265(i)(3)(A).
- (4) Overpayment - A group home provider overpayment in the AFDC-FC program, established through a program or fiscal audit, is either a sustained overpayment defined in accordance with Section 11466.22(d)(2) of the Welfare and Institutions Code or a self-reported overpayment in accordance with Section 11466.22(d)(1) of the Welfare and Institutions Code in a rate application by a group home provider that is established for an audit period when a group home provider receives foster care maintenance payments to which it is not entitled.



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- (3) Rate Period – The period for which the AFDC-FC rate is set as specified in Welfare and Institutions Code Section 11462(a)(3)(A) for Group Homes and Welfare and Institutions Code Section 11463(i)(1) for Foster Family Agencies.
- (4) RCL Reduction – A reduction to a group home provider's previously approved RCL resulting from: (A) a voluntary program change application in which the provider requests an RCL decrease; (B) a provisional rate program audit in which the group home failed to maintain the approved RCL for the specified audit period; or (C) a nonprovisional program audit in which the provider either failed corrective action or did not provide corrective action as described in Section 11-402.55.
- (5) Real Property - Real estate; land and everything more or less attached to it.
- (6) Reasonableness Adjustment - Adjustments made to costs reported by a group home provider which are based on reasonableness limits, as specified in Section 11-402.828, for salary, shelter, and vehicle costs.
- (7) Repayment Agreement - Shall be defined in accordance with Section 11466.22(d)(3) of the Welfare and Institutions Code.

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Welfare and Institutions Code Section 11466.22(d)(3) states the following:

"The department shall establish a voluntary repayment agreement procedure with a maximum repayment period of nine years. The procedure shall take into account the amount of the overpayment, projected annual income, of the program that caused the overpayment, a minimum repayment amount, including principal and interest, of 3 percent of annual income prorated on a monthly basis, simple interest for the first seven years of the voluntary repayment agreement on the overpayment amount based on the Surplus Money Investment Fund, and simple interest for the eighth and ninth years of the voluntary repayment agreement based on the prime rate at that time plus 3 percent. The department may adopt regulations permitting the director, at his or her discretion, to renegotiate the volunteer repayment agreement if the director determines that the agreement would cause severe harm to children in placement."

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- (8) Reporting Period – For on-going programs, a provider's preceding two fiscal years. For all other programs, the reporting period shall be a projection of the next rate period.
- (9) Residential Child Care Experience - Prior experience in providing direct child care worker duties or houseparent duties to children residing in out-of-home care, including first-line supervision of child care workers or houseparents.

<b>11-400</b>	<b>AFDC-FOSTER CARE RATES - DEFINITIONS (Continued)</b>	<b>11-400</b>
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- (A) Qualifying experience shall include direct child care or direct supervision of child care workers at the group home program for which a rate is being requested and prior employment experience with direct responsibility caring for children or directly supervising child care workers in other group homes, county receiving home/shelters, youth authority camps and facilities, county juvenile halls and camps, juvenile detention facilities, public and/or private mental health day treatment programs, or as a licensed or certified foster parent.
  - (B) Qualifying experience shall include child care worker duties in nonresidential settings such as a teacher of specialized education, a juvenile probation officer, or a child protective services worker.
  - (C) Qualifying experience shall include experience in child day care, residential adult drug and alcohol treatment programs, or mental health treatment programs when stated in the program statement that the specified population of children to be served by the program requires this experience.
  - (D) For group home programs serving children under six qualifying experience for a houseparent shall include direct work experience in a licensed infant care center, group child care program or group residential care for children under six years of age.
- s. (1) Seriously Emotionally Disturbed (SED) shall be defined as in Welfare and Institutions Code Section 5600.3(a)(2).

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Welfare and Institutions Code Section 5600.3(a)(2) states:

"(a)(2) For the purposes of this part, 'seriously emotionally disturbed children or adolescents' means minors under the age of 18 years who have a mental disorder as identified in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders, other than a primary substance use disorder or developmental disorder, which results in behavior inappropriate to the child's age according to expected developmental norms. Members of this target population shall meet one or more of the following criteria:

- (A) As a result of the mental disorder the child has substantial impairment in at least two of the following areas: self-care, school functioning, family relationships, or ability to function in the community; and either of the following occur:
  - (i) The child is at risk of removal from home or has already been removed from the home.

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- (ii) The mental disorder and impairments have been present for more than six months or are likely to continue for more than one year without treatment.
- (B) The child displays one of the following: psychotic features, risk of suicide or risk of violence due to a mental disorder.
- (C) The child meets special education eligibility requirements under Chapter 26.5 (commencing with Section 7570) of Division 7 of Title 1 of the Government Code."

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- (2) Set Rate - the per child/per month rate set by the Department for an AFDC-FC group home program or foster family agency pursuant to Section 11460, et seq. of the Welfare and Institutions Code.
- (3) Settlement Conference - A meeting between representatives of the Department and the group home provider to resolve a pending administrative appeal of a disputed audit finding which has reached the formal hearing level. If the parties and the Administrative Law Judge agree, a settlement conference may be held by telephone.
- (4) Social Work Activities - One of the three program components of the standardized rate setting system. These activities are as specified in the August 30th Report, Attachment A, subparagraphs (a) and (b) except as restricted by the August 30th Report, "FUNDING FROM OTHER SOURCES," page 6.

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Social work activities as provided in the August 30th Report state in relevant part:

- "(A) Development of needs and services plan; development of discharge plan; assessment to identify changing needs.
  - 1. Psychological and psychometric testing is not considered a social work activity.
- (B) Interaction (counseling) between the employee and the child and/or others aimed at preparing the child to analyze and better understand the situation is included in Social Work Activities. Specifically, this includes helping the child understand the reason for placement and to handle associated emotional problems, resolving the difficulties between child and family that led to the need for placement, and planning for the return of the child."

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<b>11-400</b>	<b>AFDC-FOSTER CARE RATES - DEFINITIONS (Continued)</b>	<b>11-400</b>
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- (5) Social Worker - An individual qualified to perform social work activities who has at least a Master's Degree, from an accredited or state approved graduate school, in social work or social welfare; marriage, family, and child counseling; marriage, family therapy; child psychology; child development; counseling psychology; clinical psychology; social psychology; Master's Degree with another title, the purpose of which was to train persons to provide social work activities; or a Baccalaureate Degree in social work or social welfare and at least two years of experience in providing social work activities which may include social work activities performed in mental health settings.
- (6) Specialized Care Increment - an amount paid to a family home in addition to the family home basic rate on behalf of an AFDC-FC child requiring specialized care because of health and/or behavior problems.
- (7) Specialized Care Rate - the total rate paid on behalf of an AFDC-FC child requiring specialized care. Such rate includes both the family home basic rate and the additional specialized care increment.
- (8) Specialized Care System - any mechanism utilized by a county to pay family homes, as defined in Section 11-400f.(3), a rate greater than the county's basic foster care rate on behalf of an AFDC-FC child placed in emergency shelter care or with care needs greater than those of a normal foster child, because of health and/or behavior problems.
- (9) Repealed by Manual Letter No. OPS-99-06, effective 12/30/99.
- (10) Repealed by Manual Letter No. OPS-99-05, effective 12/10/99.
- t. (1) Training Log - A compilation of documentation necessary to verify the on-going training that was provided to child care workers, first-line supervisors, and houseparents in group home programs serving children under six. Documentation for each training session shall include the date of training; location of training; title and a short paragraph about the subject of training; names and signatures of staff attending for training provided onsite by a group home provider or independent third-party verification for training that is provided offsite or by an entity other than the group home provider and their classifications; hours of training; name of trainer(s) and their qualifications; documentation showing provider paid any costs for training, including employee wages and benefits; listing of the materials distributed and used by the trainer; and type of training, i.e., in-person, video, onsite, offsite.
- (2) Training Plan - A prospective fiscal year summary of on-going training to be provided for child care workers, first-line supervisors, and houseparents which shall include at a minimum, a projection of the total staff hours of training, the general subject matter of the anticipated training and any information within the categories listed under "training log" that are known to the provider at the time of application. A group home program's training plan must be submitted to the Department as part of the rate application process. Staff meetings that do not meet the definition of Section 11-400o.(3) shall not be considered training.

<b>11-400</b>	<b>AFDC-FOSTER CARE RATES - DEFINITIONS (Continued)</b>	<b>11-400</b>
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- | (3) Transitional Housing Placement Program (THPP) - for the purposes of this section, is a community care facility licensed by the Department and includes all components of the program that provides supervised housing and supportive services for eligible dependent foster/probation youth as specified in Welfare and Institutions Code Section 11403.2(a)(1).
- (4) Transitional Housing Program - Plus (THP-Plus) - for the purposes of this section, is a transitional housing placement program not licensed by the Department, but certified by counties to provide housing and supportive services, as needed, to emancipated youth pursuant to Welfare and Institutions Code Section 11403.2(a)(2).
- u. (1) Underpayment - An amount owed to a group home provider by the Department.  
(2) Repealed by Manual Letter No. OPS-99-05, effective 12/10/99.
- v. (Reserved)
- w. (1) Weighting/Weighted - The factor applied to the eligible hours in each of the three program components to determine the number of points.

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- x. (Reserved)
- y. (Reserved)
- z. (Reserved)

NOTE: Authority cited: Sections 10553, 10554, 11460(b), 11462(a)(3)(B), 11462(i) and (j), 11462.06, 11463(i)(2), 11466.1, 11466.21, 11466.22, 11466.5, and 14680, Welfare and Institutions Code; Section 1559.110, Health and Safety Code; and Chapter 1294, Statutes of 1989, Section 23. Reference: Sections 1200, 1250, 1502(a)(1) and (a)(8), 1502.4, 1502.4(a)(1), (a)(2)(A), and (b), 1530.8, and 1559.110, Health and Safety Code; Section 3353, California Labor Code; Sections 4096, 4096(e)(2), 4096.5, 5600.3(a)(2), 5777, 5778, 10852, 11226, 11228, 11230, 11231, 11232, 11233, 11234, 11235, 11236, 11400(h), 11402.5(a), 11460, 11461.1, 11462, 11462(a)(1), 11462(a)(3), 11462.01(a)(2)(A)(i) and (ii), 11462.01(a)(2)(B)(i), 11462.03, 11463(i)(1), 11466.1, 11466.2, 11466.21, 11466.22, 11466.3, 11466.31, 11466.33, 11466.34, 11467.1 (Assembly Bill 1197, Chapter 1088, Statutes of 1993), 11468, 11468.6, 14680, 16522(a), (b), and (c), and 18350, Welfare and Institutions Code; Section 4980.08, Business and Professions Code; Public Laws 98-502 and 104-156; Assembly Bill 1575, Chapter 728, Statutes of 1997; The Classification of Group Home Program Under the Standardized Schedule of Rate System Report, August 30, 1989, and Title 8, California Code of Regulations, Section 11050; and federal Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; *Government Auditing Standards* of the Comptroller General of the United States (Yellow Book) 1994 Revision, including Amendment No. 1 (May 1999) and Amendment No. 2 (July 1999) Section 4.25 and 4.26; and Department of Health and Human Services, Administration for Children and Families letters dated April 19, 2001, February 22, 2002 and May 7, 2002; American Institute of Certified Public Accountants Statement on Auditing Standards Number 82, Description and Characteristics of Fraud.

**11-402 GROUP HOME RATE SETTING****11-402****.1 Group Home Rate Determination Process - General Overview**

- .11 The Department shall determine the RCL for each nonprofit group home program utilized for AFDC-FC placements to set a rate using the standardized schedule of rates.
  - .111 For the period of Fiscal Year 1992-93 from January 1, 1993, through June 30, 1993, the Department shall establish a rate for a group home which changes status from for-profit to nonprofit if the following requirements are met:
    - (a) The group home program had a rate established prior to January 1, 1993, as a group home organized and operated as an unincorporated proprietorship, a partnership, or a for-profit corporation;
    - (b) The group home has organized and is operating on a nonprofit basis as of January 1, 1993; and
    - (c) The documentation in Section 11-402.354 has been submitted by January 1, 1993.
- .12 The RCL shall be determined using points which measure the number of weighted eligible hours per child per month of CCS, Social Work Activities, and Mental Health Treatment Services.
  - .121 For program classification, only those hours in the program components of CCS and Social Work Activities funded through the AFDC-FC program and unrestricted private donations shall be used to calculate program classification points.
  - .122 For the purpose of calculating points for program classification, weighted eligible hours in the program components of CCS and Social Work Activities may include hours paid by the group home with funds received from another public agency using a source other than the AFDC-FC program when the written agreement or contract between the group home and the public agency specifies that the funds will not be used to pay for additional hours, but will be used by the group home to supplement the wage which would otherwise be paid with AFDC-FC funds.
  - .123 The weighted eligible hours of CCS and Social Work activities that a provider may include for the purpose of calculating points for program classification shall be reduced when the provider utilizes funds from a public source other than the AFDC-FC program unless the conditions specified in Section 11-402.122 are met.

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- .124 Program hours shall be allocated based on an empirical allocation methodology which shall account for eligible and ineligible AFDC-FC program hours. The allocation methodology used to determine the total number of hours which are eligible for program classification points shall include, but not be limited to, the following: eligible and ineligible program classification funding sources; or eligible and ineligible service hours in child care and social work; or the number of AFDC-FC eligible children versus ineligible children; or an allocation based on square footage or any other allocation methodology agreed to in advance of the beginning of the fiscal year between the Department and the provider.
- .13 The number of points determine the RCL for each group home program.
- .14 There is a corresponding standard rate for each RCL.
- .15 The standardized schedule of rates for fiscal years 2002-03, 2003-04, and 2004-05 is specified in Welfare and Institutions Code Sections 11462(f)(1).

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Welfare and Institutions Code Section 11462(f)(1) provides:

Rate Classification Level	Point Ranges	Standard Rate FY 2002-03, 2003-04, and 2004-05
1	under 60	\$1,454
2	60- 89	1,835
3	90-119	2,210
4	120-149	2,589
5	150-179	2,966
6	180-209	3,344
7	210-239	3,723
8	240-269	4,102
9	270-299	4,479
10	300-329	4,858
11	330-359	5,234
12	360-389	5,613
13	390-419	5,994
14	420 & up	6,371

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- .16 The standardized rate for each RCL shall be increased by 2.36% commencing January 1, 2000 for the remainder of fiscal year 1999-00.



**11-402 GROUP HOME RATE SETTING (Continued)**

**11-402**

- (a) The county placing agency shall notify the group home provider, in writing, within five days from the date of the notice from the IPC of the county's plan for removal of the child.
- (b) The county placing agency shall remove the child from the group home program within 30 days from the date of notice from the IPC.
- (c) If the county placing agency fails to remove the child within 30 days from the date of notice from the IPC, the group home provider shall:
  - (1) Notify the IPC and the Department, in writing, that the county failed to remove the child within 30 days from the date of the notice from the IPC; and
  - (2) The notification shall be within 5 days of the expiration of the 30-day period.
- (d) If the county placing agency fails to remove the child from the group home program within 30 days from the date of the notice from the IPC, the county shall be assessed a penalty by the Department.
  - (1) The penalty shall be in the amount of the state and federal financial participation in the AFDC-FC rate paid on behalf of the child.
  - (2) The penalty will commence on the 31st day of placement and continue until the child is removed.

- .192 For a child placed in a group home program classified at RCL 13 or RCL 14 that is later placed in another group home program classified at RCL 13 or RCL 14, a new determination by the IPC shall be required.

**.2 Program Classification**

**.21 Eligible Hours for Program Components**

**.211 Child Care and Supervision (CCS)**

**11-402      GROUP HOME RATE SETTING (Continued)**

**11-402**

- (a) Eligible hours of CCS shall be compensated in accordance with the Department of Industrial Relations Title 8, California Code of Regulations, Section 11050), Order Regulating Wages, Hours, and Working Conditions in the Public Housekeeping Industry and shall be determined by counting paid-awake hours of child care workers (including nurses) and first-line supervisors while performing child care duties. Eligible hours of CCS shall also include the paid-awake hours provided by houseparents (as defined in Section 11-400h.(2)) serving children under six while performing houseparent duties in a group home, and Community Treatment Facility licensed nursing staff performing CCS duties in a Community Treatment Facility.
- (1) Each group home program shall be required to provide child care duties or houseparent duties and report eligible CCS hours.
- (2) Hours of vacation, sick leave, training time or other types of leave shall be counted at the time paid. These hours are not subject to the 54-hour limitation.

**11-402 GROUP HOME RATE SETTING (Continued)****11-402**

- (3) No more than 54 hours per week per individual child care worker, Community Treatment Facility licensed nursing staff, houseparent and individual first-line supervisor for any program(s) shall be projected on any Program Classification Report(s), SR 2 Column 2, line 16.
- (4) More than 54 hours per week per individual child care worker, Community Treatment Facility licensed nursing staff, houseparent and individual first-line supervisor for any program(s) may be reported on any SR 2(s) Column 2, lines 1 through 12 when:
- (A) The employee was required to work the additional hours of CCS to prevent children from being in an unhealthy or unsafe situation, and
  - (B) The employee was compensated for the additional hours of CCS in a manner consistent with the Department of Industrial Relations, and
  - (C) The employee was not required to work in excess of 54 hours on a regular basis.
- (5) Hours shall be allocated as required by the August 30th Report, page 5.

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- (A) The August 30th Report, Page 5, ALLOCATION OF HOURS AMONG FUNCTIONS, states:

**"ALLOCATION OF HOURS AMONG FUNCTIONS**

Some group home staff perform more than one function. For the program classification purposes, the group home provider will be required to allocate the hours worked by such staff among the various functions they perform.

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**11-402 GROUP HOME RATE SETTING (Continued)**

**11-402**

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Example:

A Community Treatment Facility licensed nursing staff employee works the following hours per task during a 40-hour week:

24 hours/week: Performing CDMH required nursing functions.

12 hours/week: Performing CCS duties.

4 hours/week: Performing administrative or other tasks such as training.

As documented by their timecards/records, this Community Treatment Facility licensed nursing staff employee's percentage of time per task is as follows (i.e.: 24 hours divided by 40 hours = 60%):

60% of their time: Performing CDMH required nursing functions.

30% of their time: Performing CCS duties.

10% of their time: Performing administrative or other tasks such as training.

From this example, the following conclusions can be reached with regard to establishing the RCL for this Community Treatment Facility:

- The 24 hours/week of CDMH required nursing functions are not pointable toward the establishment of an RCL for the Community Treatment Facility.
- The 12 hours/week of CCS duties are pointable toward the establishment of an RCL for the Community Treatment Facility.
- These pointable hours of CCS can be weighted as provided by MPP Sections 11-402.224(b) and (c).
- The four hours/week of administrative or other tasks such as training staff is not pointable toward the establishment of an RCL for the Community Treatment Facility.

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<b>11-402</b>	<b>GROUP HOME RATE SETTING (Continued)</b>	<b>11-402</b>
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- (6) Eligible hours do not include hours of care and supervision given solely to children living with their minor parent(s) and receiving an infant supplement payment.

.212 Social Work Activities

- (a) Eligible hours of social work activities shall be compensated in accordance with the Department of Industrial Relations Title 8, California Code of Regulations, Section 11050, Order Regulating Wages, Hours, and Working Conditions in the Public Housekeeping Industry and shall be determined by counting the paid-awake hours of social work activities performed by social workers. For group home programs serving children under six, eligible hours of Social Work activities must be provided by a Social Worker with a minimum educational level of a Masters Degree in a behavioral science and no more than twelve cases in a caseload.

**11-402 GROUP HOME RATE SETTING (Continued)****11-402**

- (1) Hours of vacation, sick leave, or other types of employee leave shall be counted at the time paid. These hours are not subject to the 54-hour limitation.
- (2) No more than 54 hours a week per individual social worker for any program(s) shall be projected on any SR 2(s) Column 2, line 16.
  - (A) Eligible hours of social work activities performed under the terms of a direct contact contract which are given the additional weighting of 2.0 [see Section 11-402.222(d)] shall be doubled to determine an individual's hours for the 54-hour limit.

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- (B) Example: An LCSW provides five hours of social work activities under the terms of a direct contact contract. The weighted social work hours for this individual prior to application of the additional 2.0 direct contact contract weighting are 12.5. However, after applying the additional 2.0 weighting the total weighted hours increases to 25. In determining the individual's hours for the 54-hour limit, 25 hours shall be countable.

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- (3) More than 54 hours a week per individual social worker for any program(s) may be reported on any SR 2(s) Column 5, lines 1 through 12 when:
  - (A) The social worker was compensated for the additional hours of social work activities in a manner consistent with the Department of Industrial Standards, and
  - (B) The social worker was not required to work in excess of 54 hours on a regular basis.
- (4) Hours shall be allocated as required by the August 30th Report as specified in Section 11-402.211(a)(5).

**11-402 GROUP HOME RATE SETTING (Continued)**

**11-402**

- (5) A group home employee functioning as an existing social worker shall be considered a social worker and have his/her hours counted as social work activities if:
  - (A) The employee has been identified and claimed as a social worker in the same program under the cost-based rate setting system prior to July 1, 1990, and
  - (B) The employee does not meet the degrees and equivalents as defined in Section 11-400s.(5).
- (6) Family reunification activities and services provided solely to the family that are not in direct relation to the child's case plan shall not be counted as eligible social work activity hours.

**.213 Mental Health Treatment Services**

- (a) Eligible hours of mental health treatment services shall be determined by counting the paid-awake hours of the mental health professional while providing mental health treatment services.
  - (1) Hours shall be allocated as required by the August 30th Report and as specified in Section 11-402.211(a)(5).
  - (2) Hours that include other staff, such as child care workers, social workers or group home administrators, etc., are counted when the child is also included.
  - (3) The mental health professional's time is counted, not the child's time.

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- (A) A mental health professional in a one-hour group session with four children is counted as one hour of mental health treatment time.

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**11-402      GROUP HOME RATE SETTING (Continued)**

**11-402**

- (4) One hour shall be counted for the mental health professional's evaluation of each psychometric test administered by the mental health professional.

**.22      Weightings for Program Component Hours**

**.221      Child Care Supervision (CCS) Weightings**

- (a) Each child care worker, houseparent and first-line supervisor shall have a base factor of 1.0 for each eligible hour.
- (b) Additional weighting shall be given to each eligible CCS hour on the basis of the experience and/or education of individual staff or the provision of on-going training by the provider for child care workers, houseparents and first-line supervisors. The maximum additional weighting for any staff is 3.00.

- (1) Child care and supervision hours shall not be eligible for double weighting.

- (c) Residential Child Care Experience

- (1) Each child care worker, houseparent and first-line supervisor shall receive additional weighting for previous paid-awake experience in residential child care specified in Section 11-400r.(7) as follows.

- (A) Twenty-four (24) through 47 months of full-time equivalent (FTE) experience shall qualify for additional weighting of 0.15.

- (B) Forty-eight (48) months or more of full-time equivalent (FTE) experience shall qualify for additional weighting of 0.25.

- (d) Formal Education

Each child care worker, houseparent and first-line supervisor shall receive additional weighting for each eligible hour of CCS based on his/her formal education as follows:

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**11-402 GROUP HOME RATE SETTING (Continued)****11-402**

- (1) Sixty (60) semester units or its equivalent as listed below shall receive an additional weighting of 0.05.
  - (A) An Associate of Arts or Science Degree that requires less than 60 units for completion; or
  - (B) A certificate in a subject directly related to child care that requires less than 60 semester hours but more than 20 semester hours in courses that deal with child related subjects; or
  - (C) A certificate in a subject directly related to drug and alcohol programs from an accredited course of study that requires less than 60 semester hours when:
    - (i) The individual is employed by a group home program with the criteria described in Section 11-402.411(a)(6), and
    - (ii) The course of study gave the individual the choice of either track, i.e., the Associate of Arts Degree or the certification program.
    - (iii) Certificates include but are not limited to the following: alcohol and/or drug counseling, dependency specialist, or abuse studies.
- (2) A Bachelor of Arts or Science Degree in a major that is not related to the behavioral sciences shall receive an additional weighting of 0.10.
- (3) A Bachelor of Arts or Sciences Degree in one of the behavioral sciences specified in Section 11-400b.(4) or other equivalent disciplines listed in Section 11-402.221(d)(3)(A), (B), or (C) relevant to the provision of services to foster care children to be served by the group home program shall receive an additional weighting of 0.25.
  - (A) A certificate from the California Association of Alcohol and Drug Abuse Counselors as a Certified Alcohol Counselor, Certified Drug Counselor or Certified Alcohol and Drug Counselor based on an accredited course of study plus the required supervised experience when the program statement specifies the population of children to be served by the program requires this professional level.

**11-402 GROUP HOME RATE SETTING (Continued)****11-402**

- (B) A certificate directly related to drug and alcohol programs from an accredited course of study that requires 60 semester hours or more but less than four years may receive the additional weighting when:
  - (i) The individual is employed by a group home program, which accepts chemically addicted children as described in Section 11-402.411(a)(6), and
  - (ii) The course of study gave the individual the choice of either track, a Bachelor's Degree, or the certificate program.
- (C) A vocational training certificate or credential or documentation stating the individual is a trade journey person and instructs vocational skills to children in a vocational program as described in Section 11-402.411(a)(6)(A).
- (4) A Master's Degree in a behavioral science specified in Section 11-400b.(4) or other equivalent discipline listed in Section 11-402.221(d)(4)(A) shall receive an additional weighting of 0.40.
  - (A) The individual teaches vocational skills to children in placement, and the provider:
    - (i) Has documentation showing the individual is a licensed contractor, or
    - (ii) Has documentation showing the individual is a journey person in more than one vocational trade.
- (e) On-Going Training
  - (1) Each eligible hour of CCS shall receive an additional weighting of 0.10 when an average of 40 or more hours of on-going training per full-time equivalent (FTE) position per year is provided. See definition of on-going training at Section 11-400o.(3).
  - (2) The number of hours of on-going training required by a group home program to qualify for the additional weighting shall be computed by:

<b>11-402</b>	<b>GROUP HOME RATE SETTING (Continued)</b>	<b>11-402</b>
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- (A) Determining the number of FTE CCS staff by: dividing the total number of eligible CCS hours by the number of full-time hours in the same time period (i.e., 40 hours per week or 173 hours per month) and
- (B) Multiplying the number of FTE CCS staff by 40.

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Example: The ABC group home has five child care workers who work from 15 to 54 hours per week and one full-time first-line supervisor. The combined number of hours they are expected to work in the next 12-month period is 12,636. Divide the hours worked by 2080 (annualized full-time equivalent based on a 40-hour work week) = 6.075 FTE. Multiply the 6.075 FTE by 40 hours = 243 hours of training the provider must provide for all eligible CCS hours to be weighted by the additional 0.10.

An example of eligible allocated hours counted toward on-going training is: Helen is the cook in the ABC group home program, but for two hours each afternoon she has responsibility for supervising a group of children. She meets the CCL requirements for a child care worker. The hours of training she receives, relevant to her child care duties, are countable for the training time furnished by the provider toward the additional CCS weighting of 0.10 for all CCS hours.

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- (3) The following types of training shall qualify as on-going training for weighting purposes.
  - (A) All training required by Community Care Licensing (CCL) for child care workers as specified in Title 22, Division 6, Sections 84065(i) and (j) and 80065(e)(2).

**11-402 GROUP HOME RATE SETTING (Continued)**

**11-402**

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Section 84065(i) and (j) states in part: "...child care staff (shall be required) to receive...a minimum of 20 clock hours of continuing education during the first 18 months of employment and during each three years thereafter."

Section 80065(e)(2) states: "Adults who supervise while clients are using a pool or other body of water from which rescue requires the rescuer's ability to swim, shall have a valid water safety certificate."

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(B) The training shall be directly related to the individual's child care worker duties, the group home program, or the needs of children in care.

(C) For houseparents in group home programs serving children under six all of the training required in Section 11-400o.(3)(A).

(4) Audio or video tape training shall be counted provided:

(A) It is used within the structure of a group training setting.

(B) The subject is introduced in person by a qualified individual, and

(C) Audience interaction with the qualified individual is available.

(5) Audio or video tape training shall not qualify when the provider supplies the training package and sends it home with individual employees to view on their own time.

(6) The on-going training hours for a group home program shall be allocated among all staff.

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- (7) For those group home programs classified at RCL 13 or RCL 14 to receive an additional weighting of 0.10 for each eligible hour of Childcare and Supervision (CCS), there shall be two options. In addition to qualifying by providing an average of 40 or more hours of ongoing training per childcare employee, the requirement for receiving the additional weighting shall be met if the childcare and first line childcare supervisory staff is trained in the management of assaultive behavior, and all the following conditions are met:
- (A) The training must be at least 14 hours in length;
  - (B) The training must be conducted by a professional organization or someone trained and currently certificated by a professional organization as a qualified instructor, and approved by the Department;
  - (C) The entire childcare and CCS staff must complete the training and remain certified and the certifications must be current; and
  - (D) Documentation necessary to verify training as described in Section 11-400t.(1) and documentation that the requirements of Section 11-402.221(e)(7) have been met shall be maintained. In addition, if a provider chooses to claim additional points for training and selects this option, in lieu of submitting a training plan the provider shall submit the name of the professional organization providing the training, when it will be scheduled and the names of childcare staff the provider has scheduled to attend.
- (8) For provisional rate audits, the training weighting, if claimed, shall automatically be added to the weightings of all child care workers employed during the audit period.

**.222 Social Work Activities Weightings**

- (a) Weightings shall be given to each eligible hour of social work activity based on the professional level of each social worker as specified in the August 30th Report, page 3.

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The August 30th Report states in part:

- |      |  |      |
|------|--|------|
| "(1) | Licensed Clinical Social Worker (LCSW)   | 2.5  |
| (2)  | Licensed Marriage, Family and Child Counselor (LMFCC)  | 2.5  |
| (3)  | Master's of Social Work (MSW) (60 units)   | 2.0  |
| (4)  | Master's of Science in Counseling (MSC) (60 units)   | 2.0  |
| (5)  | Master's (30 units) in a discipline which would enable the individual to sit for the LMFCC or LCSW exam. | 1.75 |
| (6)  | Bachelor of Social Work (BSW) with at least two years of full-time equivalent experience.                | 1.5" |

Pursuant to changes in the Business and Professions Code added by Statutes of 1998, Chapter 108, Section 1, subsection 4980.08, "(a) The title 'licensed marriage, family and child counselor' or 'marriage, family and child counselor' is hereby renamed 'licensed marriage and family therapist' or 'marriage and family therapist' respectively. Any reference in any statute or regulation to a 'licensed marriage, family and child counselor' or 'marriage, family and child counselor' shall be deemed a reference to a 'licensed marriage and family therapist' or 'marriage and family therapist'".

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- (b) In addition to the above weightings, each eligible hour of social work activity performed by a group home employee who meets the requirements of Section 11-402.212(a)(5) shall be eligible for the weighting of 1.5.
- (c) All individuals, whether employee or under contract, receive the same weighting for their professional level.
- (d) Each weighted eligible hour of social work activities provided under the terms of a direct contact contract shall be multiplied by 2.0 subject to the following restrictions:
  - (1) The contract only reimburses for those hours spent in direct contact with the child(ren) being served and does not reimburse for ancillary social work activities, such as the development of needs and services plans or discharge plans;



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- (2) A maximum of 20 hours per week per social worker, of the contracted direct contact social work activities shall be multiplied by 2.0.
- (3) The person providing the social work activities is not an employee of the group home provider and meets the requirements of an independent contractor as specified in Section 11-400d.(6).
  - (A) The relationship between the group home provider and the individual providing social work activities shall be evaluated by several factors, including but not limited to:
    - (i) The group home has no control over the manner and means by which the individual providing the social work activities performs his/her services.
    - (ii) The payment for social work activities performed is based on completion of the specifics in the contract.
    - (iii) The group home provider and the individual providing the social work activities do not view the work relationship as one of employee/employer.

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- (iv) Example: The weighting for an LCSW providing contracted social work activities for direct contact with the children is computed as one hour of service x 2.5 LCSW x 2.0 "direct contact" = 5.0.

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.223 Mental Health Treatment Services Weightings

- (a) Weighting shall be given to each eligible hour of direct contact mental health treatment services provided by a mental health treatment services professional based on the professional level of the individual as specified in the August 30th Report, page 4.



**11-402 GROUP HOME RATE SETTING (Continued)**

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.234 Providers shall report the actual number of mental health treatment services points per program, per month, for each program on an SR 2.

(a) The mental health point score shall be determined as follows:

(1) The actual number of eligible mental health treatment services hours provided shall be reported for each month.

(2) The appropriate weightings shall be applied to the eligible hours and reported for each month.

(3) Except for a CTF program, the number of weighted hours shall be divided by 90 percent of licensed capacity to determine the number of points and reported for each month. A Community Treatment Facility program shall receive 30 points for all mental health treatment services provided.

(4) The total number of mental health treatment services points for the report period shall be reported.

(5) The average number of mental health treatment services points for the report period shall be reported.

(b) The mental health treatment services points for children enrolled in a full-time mental health day treatment program shall be the ratio of the number of children in day treatment to the group home program's total licensed capacity. These mental health treatment services points for that month shall be reported without documenting hours, license, or professional level of the mental health professional. See Section 11-402.239(c).

(c) The Department shall limit the mental health treatment services points to be counted in any one month to 60.

(d) The Department shall limit the average points for mental health treatment services to 30 per month.

.235 The point scores from each of the three program components shall be totaled to determine the program points.

.236 The RCL shall be determined by comparing the program's points to the table of standardized schedule of rates in Section 11-402.15.

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.237 The projected points shall be the average for the level of care and services to be provided over the reporting period.

.238 The reported points shall be the actual number of points in each month which represent the level of care and services provided over the reporting period.

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An example of a group home program point computation:

(a) CCS point computation

(1) The XYZ group home program is licensed for six children and has four full-time equivalent child care workers. The provider has a training plan of more than 40 hours of training for the child care workers and first-line supervisors (0.10 additional weighting for each eligible CCS hour). Each child care worker and first-line supervisor has 1.35 total weightings. Two examples are:

(A) Irma has five years of residential child care experience (additional weighting of 0.25) and 15 semester units of college (no additional weighting) for 1.35 total weighting (1.0, base factor + 0.10, on-going training + 0.25, experience).

(B) Irene has one year of child care experience (no additional weighting) and a Bachelor's Degree in Sociology (0.25 additional weighting) for 1.35 total weighting (1.0, base factor + 0.10, on-going training + 0.25, education).

(2) Total CCS hours are 866.6 (50 average hours per week X 4 individuals X 4.333). The total weighted CCS hours per month are 1,169.91 (866.6 X 1.35); divided by 5.4 = 216.65.

(b) Social work point computation:

(1) The same group home program currently employs a Licensed Clinical Social Worker (LCSW) for 20 hours per week or 86.67 hours per month (20 X 4.333).

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**11-402 GROUP HOME RATE SETTING (Continued)****11-402**

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The weighted social work hours per month for this social worker are 217.5 (87 X 2.5).

- (2) Another LCSW provided direct contact social work activities based on a contract for 80 hours per month.

The weighted social work hours per month for this social worker are 400 (80 hours X 2.5 professional level weighting X 2.0 "direct contact" contract additional weighting).

- (3) Total social work weighted points are 617.5 (217.5 + 400), divided by 5.4 for 114.35 points attributed to social work.

(c) Mental health point computation:

- (1) The group home program averages six children in placement per month:

- (A) Two children in a mental health day treatment program;
- (B) Three others seen by a psychologist in a group therapy session at the group home for one hour a week; and
- (C) One other seen in private sessions in a clinic two hours a week by a psychiatrist.

- (2) The weighted mental health hours are:

- (A) For mental health day treatment: two children = 2/6 of the maximum mental health points (30) for a total of 10.
- (B) For the psychologist: Four hours X 5.0 professional weighting = 20 weighted hours per month.
- (C) For the psychiatrist: Eight hours per month X 5.0 professional weighting = 40 weighted hours.

- (3) Total mental health points are: 20 (psychologist) + 40 (psychiatrist) = 60 divided by 5.4 = 11.11 + 10 (day care) = 21.11.

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- (d) Total point computation:
- (1) Add the points for CCS (216.65), social work activities (114.35) and mental health treatment services (21.11) for a total of 352.11.
  - (2) The XYZ program total points are 352 which is in Rate Classification Level 11.

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**.3 On-Going Group Home Program Rate Application Process**

- .31 Each provider shall submit to the Department a completed rate application as specified in Sections 11-402.35 through 11-402.358, as appropriate, for each program as scheduled by the Department in order to receive a rate for that program. The rate application shall contain a statement that the signatory understands that the information contained in the document is correct to the best of their knowledge and that submission of false or misleading information may be prosecuted as a crime. Additionally, each provider shall submit to the Department any changes to the documentation listed in 11-402.35 that may have occurred during the biennial rate period. These changes must be submitted no later than 30 days of the date of change. Failure to do so may result in rate termination in accordance with 11-402.393.
- .32 The due date for on-going rate applications shall be according to a schedule determined by the Department. The Department shall provide prior written notice of the scheduled due date.
- .321 An application not postmarked by the due date shall be considered late.
- .322 Providers shall be allowed to request a determination of good cause for submitting a late application as specified in Section 11-402.37.
- .323 Providers who do not request a determination of good cause for submitting a late application shall be subject to the penalty provisions specified in Section 11-402.38.
- .33 A rate application shall be considered complete when all required forms have been completed with the necessary information and supporting documentation, as required in Section 11-402.35 needed to determine the RCL, have been submitted to the Department.
- .331 Providers shall be allowed to request a determination of good cause for submitting an incomplete application as specified in Section 11-402.37.
- .34 The effective date of the rate shall be the first day of the second month following the rate application due date.

**11-402      GROUP HOME RATE SETTING** (Continued)

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Example: Due date is January 1

- January is not counted
- First day of second full month following January is March

Effective date is March 1

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.35 A complete rate application with no program changes shall include:

.351 A complete Group Home Program Rate Application, SR 1;

.352 A complete Program Classification Report, (SR 2); and a complete Group Home Program Days of Care Schedule, (SR 5) for the provider's preceding two fiscal years (reporting period).

.353 A copy of:

- (a) The current license issued by CCL in accordance with Title 22, California Code of Regulations, Division 6, for each facility. If the license is provisional, submit a copy of the permanent license when received, and
- (b) The group home administrator certificate issued by CCL as defined in Section 11-402; or if not available, proof of submittal of processing fee and training certificate to CCL.
- (c) The organization's tax exempt status letter from either the Internal Revenue Service (IRS) or the California Franchise Tax Board designating the provider as tax exempt; if any changes have occurred since submission of the last tax exempt status letter; and,
- (d) An endorsed copy of the group home organization's Articles of Incorporation, filed with the California Secretary of State, if any changes have occurred since submission of the last Articles of Incorporation, demonstrating the organization:
- (e) A copy of any initial or amended Statement of Information filed with the California Secretary of State.
- (f) A complete listing of the corporation's Board of Directors to include full names, titles, mailing addresses and phone numbers.

**11-402 GROUP HOME RATE SETTING (Continued)****11-402**

- (1) Operates in the public interest for scientific, education, service or charitable purposes;
- (2) Is not organized for profit making purposes; and
- (3) Uses its net proceeds to maintain, improve or expand its operations.

.354 A declaration signed by the group home's board of directors that the organization will operate during the rate period in the public interest for scientific, education, service or charitable purposes; is not organized for profit making purposes; and uses its net proceeds to maintain, improve or expand its operations.

- (a) The group home provider shall immediately notify the Department if the group home ceases to operate on a nonprofit basis, becomes inactive, suspended, or otherwise is not in good standing with the California Secretary of State.

.355 The group home training plan projected for the providers rate period or for providers with programs classified at RCL 13 or 14 who opt for the management of assaultive behavior training, the information required in Section 11-402.221(e)(7);

.356 (a) A certification by the provider that all information contained in the program statement previously submitted remains current with no changes; and

- (b) If the previously submitted program statement no longer reflects the provider's current program, the provider shall submit an updated version of the program statement or addendum to the Department.

.357 In addition to the items in Sections 11-402.351 through .357, a group home program classified at RCL 13 or RCL 14 shall submit:

- (a) A written agreement, that the program shall accept for placement only assessed/qualified children or emergency placements, as provided in Section 11-402.181(b). The agreement shall include the following:

- (1) An original signature of the same individual whose signature appears on the SR 1; and
- (2) The date signed.

- (b) A statement, accompanied by appropriate documentation, that the requirements of Section 11-402.181(c) regarding the program certification have been met.

.358 A copy of the current lease(s) or rental agreement(s) if not previously submitted.



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|--|---|
|  | <p>.359 A declaration signed by the group home's board of directors that during the rate period the organization will not incur shelter costs resulting from a self-dealing transaction as defined in Nonprofit Corporation Law, Title 1, Division 2, Section 5233, California Corporations Code.</p> |
|  | <p>.36 If all the required documents necessary to the actual setting of rates have been received, but additional documentation is needed, the rate request shall be considered complete if the remaining documentation is postmarked within 30 days after notification by the Department.</p>         |
|  | <p>.361 Repealed by Manual Letter No. OPS-03-01, effective 2/13/03.</p>   |
|  | <p>.362 Repealed by Manual Letter No. OPS-03-01, effective 2/13/03.</p>   |
|  | <p>.363 Repealed by Manual Letter No. OPS-03-01, effective 2/13/03.</p>   |
|  | <p>.364 Repealed by Manual Letter No. OPS-03-01, effective 2/13/03.</p>   |

**11-402 GROUP HOME RATE SETTING (Continued)**

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.37 The Department's good cause procedures shall be as follows:

.371 Providers unable to submit a complete rate application by the due date shall be allowed to submit in writing, a request for a determination of good cause as defined in Section 11-400g.(1) which shall be postmarked no later than five (5) calendar days following the application due date.

(a) The request shall contain the following:

- (1) A clear statement that this is a request for determination of good cause.
- (2) The specific reason(s) for submitting an incomplete or untimely application.
- (3) The provider's name, address and phone number.
- (4) The name, address and phone number of the person to be notified regarding the determination of good cause.
- (5) The name, location and program number of the affected program(s).

(b) Repealed by Manual Letter No. OPS-03-01, effective 2/13/03.

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.372 Within 15 calendar days of the postmarked date of the request for a determination of good cause, the Department shall make a determination of good cause and shall notify the provider in writing of the determination.

(a) When the Department approves a request for good cause for a late or incomplete filing of an application, a complete application is due within 30 days of the postmark of the Department's approval notification or 30 days after the original application due date, whichever is later.

(1) For complete applications submitted in accordance with Subsection (a), the effective date of the rate shall be in accordance with Section 11-402.34.

(2) Applications which are incomplete or are not submitted in accordance with Subsection (a) shall be subject to the penalties in Section 11-402.38.

(b) When the Department determines there is no good cause for a late or incomplete filing of an application, the Department shall notify the provider in writing that a complete application must be submitted prior to the first of the next calendar month to avoid additional late penalties.

(1) The rate shall be set in accordance with the appropriate late or incomplete application penalties specified in Section 11-402.38.

(c) Repealed by Manual Letter No. OPS-03-01, effective 2/13/03.

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**11-402 GROUP HOME RATE SETTING (Continued)****11-402**

.38 The Department's penalty procedures for late or incomplete applications shall be as follows:

- .381 (a) Applications not submitted on or before the due date and applications that are incomplete are considered late applications.
- (b) The rates for late applications are subject to a monetary penalty equal to three (3) percent of the rate.
- (c) The rate is subject to the penalty for the number of months the application was late beginning on either the rate effective date or the date the rate is reinstated if terminated.
- (d) The rate is subject to termination if the complete application is not received on or before the rate effective date.

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Example: Application is due January 1 and rate is effective March 1; if the application is late but completed in January, the rate is penalized for one month in the month of March.

Application is due January 1 and rate is effective March 1; if the application is late but completed in February, the rate is penalized for two months in the months of March and April.

Application is due January 1 and rate is effective March 1; if the application is not completed by March 1, the group home program shall be subject to the rate termination process as specified in Section 11-402.393 for failure to submit a complete rate application prior to the rate effective date. Once reinstated, the rate is penalized for the number of months late beginning in the month reinstated.

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**11-402 GROUP HOME RATE SETTING (Continued)**

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.39 The Department's rate termination processes shall be as follows:

.391 When a provider's license(s) for any or all of its facilities are revoked by CCL, (and the revocation is not stayed pending completion of probation) surrendered, expire or otherwise lapse, the Department shall provide notice to the provider of the rate termination date for the facility(ies). The notice shall:

- (a) Be in writing,
- (b) Inform the provider that the termination date shall be the effective date the licenses are revoked, surrendered, expire or lapse, and
- (c) Include the provider's appeal rights as specified in Welfare and Institutions Code Sections 11468 through 11468.6.
- (d) A copy of the notice shall be sent to the host county, the primary placing county and any other counties which may be affected by the rate termination and which can be identified by the Department.

.392 When a provider's provisional rate will be terminated due to a determination by the Department that the provider is operating at a level more than three levels below the RCL projected by the provider and the provider does not appeal the determination, the Department shall provide notice to the provider of the rate termination date. The notice shall:

- (a) Be in writing,
- (b) Inform the provider that the rate will terminate 45 days after the date of issuance of the program audit report of the provisional rate unless the provider appeals within 30 days of the date of issuance of the program audit report, and
- (c) Inform the provider that if the provider appeals the Department's determination, the provider's rate will be reduced pending the appeal decision; and
- (d) Include the provider's appeal rights as specified in Welfare and Institutions Code Section 11462(e)(1)(E).

**11-402 GROUP HOME RATE SETTING (Continued)****11-402****.4 Deviations from Ongoing Group Home Program Rate Setting****.41 New Program**

.411 An initial rate application from an existing provider for a new program shall include all required forms and information listed in Sections 11-402.351 through 11-402.358, the FCR 16, Group Home Shelter Costs, Self-Dealing Transactions Declaration and Survey, and the Group Home Program Cost Report (SR 3) with projected cost data with the following additional requirements:

(a) A new and complete program statement shall be submitted with each initial rate application. The program statement shall include the following until such time as a standardized program statement is implemented pursuant to Welfare and Institutions Code Section 11467(c);

- (1) The goals and purpose of the program,
- (2) The characteristics of children served,
- (3) Organizational chart and administrative information including names, addresses and titles of all members of the Board of Directors, all corporate officers, and all partners as appropriate,
- (4) A description of the type and level of social services and mental health treatment services offered,
- (5) A job duty statement for each classification utilized by the group home, and
- (6) A description of special program services.
  - (A) If applicable, the vocational training program offered within the program.
  - (B) A program which has vocational training for children in placement is one which is designed to impart to the children in placement, the skills necessary for a vocation or trade.

**11-402 GROUP HOME RATE SETTING (Continued)**

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- (C) A vocational training program shall qualify if the program:
  - (i) Teaches a skill(s) which benefits the child;
  - (ii) Provides instruction which includes hands- on experience and specified quantifiable training goals;
  - (iii) Consumes a percentage of the children's day at regularly scheduled hours;
  - (iv) Sustains costs for qualified staff, costs for equipment, materials and the space required for the training;
  - (v) Is not funded by the Department of Education for the vocational training provided;
  - (vi) Does not provide educational credit to the children in placement;
  - (vii) Is an integral part of the group home program and is not the result of coincidental factors such as hiring of a child care worker(s) or first-line supervisor(s) who happen to have vocational skills; and
  - (viii) Is not transitory and does not depend upon the continued employment of child care worker(s) and first-line supervisor(s).
- (7) An existing provider operating a group home program in the facility(ies) in which he/she intends to provide a new program shall:
  - (A) Obtain verification from the placement agency that an assessment as described in Section 31-420.241 has been completed on each child to ensure that the level of care and services of the new program meets the needs of the child.



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(B) Section 31-420.241 states:

"241 Placements in group homes shall be subject to the following additional requirements:

"(a) The following conditions shall exist and shall be documented in the case plan:

"(1) Placement is necessary to meet the treatment needs of the child.

"(2) The group home has a treatment program that meets such treatment needs."

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- (b) Providers who are discontinuing any group home program(s) in favor of a new program shall submit the Group Home Program Days of Care Schedule (SR).
- (c) The placement agency recommendation from the host or the primary placing counties as appropriate and as specified in Section 11-425.12.
- (d) A copy of the provisional license issued by CCL in accordance with Title 22, California Code of Regulations, Division 6, and the permanent license when received.
- (e) Effective with the implementation of the group home administrator certification program, the group home administrator certificate indicating completion of that program as required in Health and Safety Code Section 1522.41.

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- .412 The effective date of a new program provisional rate shall be the later of:
- (a) Date of first placement, or
  - (b) Date the Department received a complete rate application as specified in Section 11-402.411, or
  - (c) Date of the provisional license.
- .413 The Department shall establish the provisional rate based on the projected RCL for a group home program using data submitted by the provider in the initial rate application specified in Sections 11-402.351 through 11-402.358.
- .414 The Department may request additional information to complete the initial rate application process in accordance with Sections 11-402.437(a) through 11-402.437(c).
- .415 Applications for new programs which do not meet the requirements of Section .411 shall be subject to Section 11-402.43, Program Changes.
- .416 The effective date of a new program's rate, whether it will maintain or decrease the provisional rate, shall be the first of the month following the date of issuance of the Department's program audit report.

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.42 New Provider

.421 A new provider shall be as defined in Section 11-400n.(4).

(a) For foster care group home rate setting purposes, a new provider shall not be any of the following:

(1) The addition of a new program by an existing provider.

(2) Any change specified in Section 11-402.43, Program Changes.

(3) A change or reorganization in the provider's incorporation and/or a reorganization of his/her administration.

(4) A provider who fails to submit a rate application for an on-going program.

(b) Applications for new providers which do not meet the requirements of this section shall be subject to Section 11-402.43, Program Changes.

.422 An initial rate application from a new provider shall include all required forms and information listed in Sections 11-402.351 through 11-402.358, and FCR 16, Group Home Shelter Costs, Self-Dealing Transactions Declaration and Survey, as appropriate, with the following additional requirements:

(a) A complete program statement shall be submitted which shall include all the appropriate documentation and information as listed in Section 11-402.411(a).

(b) The Group Home Program Cost Report (SR 3) shall be completed identifying projected data for the rate period.

(c) Placement agency recommendation from the host or the primary placing counties as appropriate and as specified in Section 11-425.12.

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- .423 Initial rate application documents shall be submitted to the Department prior to the first placement.
- .424 The effective date of the provisional rate for a new provider shall be the later of:
- (a) Date of first placement, or
  - (b) Date the Department receives a complete rate application as specified in Section 11-402.422, or
  - (c) Date of the provisional license.
- .425 The effective date of the rate for a new provider, whether it will maintain or decrease the provisional rate, shall be the first of the month following the date of issuance of the Department's program audit report.
- .426 The Department shall establish the provisional rate based on the projected RCL for a group home program using data submitted by the provider in the initial rate application specified in Sections 11-402.351 through 11-402.358.
- .427 The Department may request additional information to complete the initial rate application process in accordance with Sections 11-402.437(a) through (c).
- .43 Program Changes
- .431 A program change shall be as defined in Section 11-400p.(7).
- (a) For purposes of rate setting, a program change shall include a change to:
    - (1) The number of beds for the program, except as follows:
      - (A) The first increase of five or fewer beds in the lifetime of a program with no change to the program's RCL based on the number of points computed in accordance with Section 11-402.23.

**11-402 GROUP HOME RATE SETTING (Continued)**

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- (i) Calculate the RCL for the program based on the proposed expansion to verify that the RCL after the expansion is the same as the RCL approved by the Department for the program; and
  - (ii) Contact the Department to inform of capacity change and point determination.
- (2) Conditions or limitations described on the license which necessitates submission of a new license application as required by Title 22, Division 6, Section 80034(a).

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A licensee shall file a new application as required by Title 22, Division 6, Section 80018 whenever there is a change in conditions or limitations described on the current license, or other changes including, but not limited to, the following:

- (1) Any change of licensee, including, but not limited to, the following when the licensee is a corporation.
  - (A) Sale or transfer of the majority of stock.
  - (B) Separating from a parent company.
  - (C) Merger with another company.

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- (b) A group home provider shall report any proposed program change to the Department, in compliance with the requirements for program change application specified in Section 11-402.432.
  - (1) The program shall continue to receive the existing rate.
- (c) The Department shall:
  - (1) Set a provisional rate that increases an RCL based on the projected RCL using data submitted by the provider in the program change application specified in Section 11-402.432.

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(2) For purposes of (c)(1) the Department may request additional information to complete the program change application process in accordance with Sections 11-402.437(a) through (c).

(d) Failure to report a program change, the result of which is a decreased rate, as described in Section .435, shall result in the assignment of an overpayment and the adjustment of the current rate as appropriate following a program audit as specified in Sections 11-402.5 and .6.

.432 An application for an RCL change or a program change shall include:

(a) A complete Group Home Program Rate Application, (SR 1).

(b) A complete Program Classification Report, (SR 2).

(c) An amended program statement reflecting the change and containing the elements specified in Sections 11-402.411(a)(1) through (6).

(d) Providers making program changes affecting more than one program, that is, discontinuing one program in favor of another as described in Section 11-402.435(c)(1) or otherwise discontinuing a program, shall submit the Group Home Program Days of Care Schedule (SR 5).

(e) The current license issued by CCL in accordance with Title 22, California Code of Regulations, Division 6, for each facility.

(f) A copy of the current lease or rental agreement if not previously submitted, and an FCR 16, Group Home Shelter Costs, Self-Dealing Transactions Declaration and Survey.

.433 Additional Requirements for Program Changes

(a) A program change application projecting an increase of an RCL level to a group home program shall be accompanied by the placement agency recommendation, as specified in Section 11-425.12 and any other requirements specified in Welfare and Institutions Code Section 11462(k).

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- (b) A program change application to change a program to RCL 13 or RCL 14 shall include a recommendation, as specified in Section 11-425.12, from either the host or the primary placing county and any other requirements specified in Welfare and Institutions Code Section 11462.01.
  - (c) For fiscal year 1198-99 and any other subsequent years for which this statutory restriction applies, a program change application which increases the licensed capacity of a program with a higher RCL as a result of decreases in another program which is operated by the same provider and has a lower RCL shall be accompanied by the placement agency recommendation, as specified in Section 11-425.12 and any other requirements specified in Welfare and Institutions Code Section 11462(k)(3)(A).
  - (d) A group home program which has received a provisional rate may not apply for a program change which will result in an increase in its RCL prior to two years from the effective date of the rate for the provider unless a recommendation is received from the host county, the primary placing county, or a regional consortium of counties as specified in Section 11-425.12 and any other requirements specified by Welfare and Institutions Code Section 11462(e)(1)(A).
- .434 A program change application shall be submitted prior to the effective date of the change but no later than 30 days after the change.
- .435 For a complete rate application, the effective date of the rate for program changes, by the type of change, shall be:
- (a) For the RCL which is not changing:
    - (1) For an increase in licensed capacity greater than five in the same or a new facility, the effective date shall be the later of:
      - (A) Date of first placement; or
      - (B) Date of group home license approval.
    - (2) For a decrease in licensed capacity, the effective date shall be the date of the decrease.
  - (b) For the RCL which is changing:
    - (1) For a decrease in RCL, the effective date shall be the date implementing operation of the program at the lesser RCL.



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- (2) For an increase in RCL, the effective date of the provisional rate shall be the later of the provider's proposed effective date on the Group Home Program Rate Application, SR 1 submitted for the program change or 30 days after the postmark on the program change application. For an increase in RCL, the effective date of the rate, whether it will maintain or decrease the provisional rate, shall be the first of the month following the date of the issuance of the Department's program audit report.
- (c) For changes affecting more than one program operated by one or different providers, the effective date of the provisional rate shall be the later of the provider's proposed effective date on the SR 1 form(s) or 30 days after the postmark on the program change application(s). The effective date of the rate, whether it will maintain or decrease the provisional rate, shall be the first of the month following the date of the issuance of the Department's program audit report.

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Examples of these changes are:

- (1) Discontinuing one group home program in favor of another.
- (2) Combining of two or more providers who propose to continue operating a group home program(s) but to change the administrative or corporate structure which was characterized to the Department at the time the rates for the most recent fiscal year were established.
- (3) Assuming operation of a group home program which was formerly operated by another provider.

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.436 The rate following a program change by the type of changes shall be:

- (a) For the RCL which is not changing:
  - (1) For an increase in licensed capacity, except as specified in .431(a)(1)(A), the rate shall be the lesser of:
    - (A) The existing rate prior to the program change; or
    - (B) The standard rate for its RCL.
  - (2) For any decrease in licensed capacity, the rate shall be the existing rate.

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- (3) For a change in the type of placement or staffing pattern, the rate shall be the existing rate.
- (b) For the RCL which is changing:
  - (1) For a decrease in RCL expected to affect the program for more than 90 days, the rate shall be the lesser of:
    - (A) The existing rate, or
    - (B) The standard rate for the new RCL.
  - (2) For an increase in the RCL, the provisional rate shall be the greater of:
    - (A) The existing rate, or
    - (B) The standard rate for the new RCL.
- (c) For changes affecting more than one group home program, as described in Section .435(c), the provisional rate shall be determined by the Department based on the RCL for the program based on the data in the program change application submitted in compliance with Sections 11-402.431 and .433.
  - (1) The provisional rate shall be the standard rate for the RCL resulting from the program change.
- (d) Any program change to a group home program classified at RCL 13 or RCL 14 that impacts the program's RCL and/or substantially impacts the level of care and services offered by the program shall necessitate:
  - (1) A new determination by the IPC for each child in placement that the child is in need of the level of care and services provided by the group home program, and
  - (2) A new mental health treatment program certification as referenced in Section 11-400c.(2) for the program as modified by the program change.

.437 For an incomplete rate application the date of the rate shall be:

- (a) If the Department determines that a rate application is incomplete, the group home provider shall be allowed to submit additional information to complete the rate application. The due date for the additional information shall be 30 days from the postmark date of the Department's request for additional information.

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- (b) The effective date of the rate for a group home provider who initially submits an incomplete rate application shall be the postmark date or the date the additional information is hand-delivered to the Department but not earlier than the effective date specified in Sections 11-402.412 and 11-402.424.
- (c) A group home provider who does not submit the additional information requested by the Department shall not be eligible to have a rate established for the group home program for which the rate application was submitted.

**.44 Programs Classified at RCL 12 or Below Which Fail to Maintain the RCL**

- .441 A group home provider who self-reports information in any rate application that results in a failure to maintain its RCL shall be subject to the provisions of Section 11-402.443. For programs classified at RCL 13 or RCL 14 refer to Section 11-402.46.
- .442 Providers with programs classified at RCL 1 through RCL 12 which fail to maintain the projected RCL shall submit the information required by Section 11-402.432 unless:
  - (a) The RCL is expected to return to the RCL approved by the Department for the current fiscal year by the end of 90 days, and
  - (b) The average fiscal year RCL will not be affected by the temporary decrease.
- .443 The Department shall verify the self-reported information submitted in accordance with Section 11-402.441 by a group home provider that the program has failed to maintain the RCL as defined in Section 11-400f.(1) and set a new rate based on the new information provided.
- .444 The effective date of the new rate shall be the date at which the program failed to maintain the previously approved RCL.
- .445 Programs for which the actual RCL is lower than the RCL upon which the rate was established shall be subject to the provisions in Section 11-402.55, Corrective Action, and Section 11-402.6, Overpayments.
- .446 When the Department's determination of a rate based on the Department's program audit of the provisional rate is more than three levels lower than the RCL initially projected by the group home provider, the Department shall terminate the provider's rate 45 days after the date of issuance of the program audit report unless the provider timely requests a hearing on the Department's RCL determination (see Section 11-430.19 for appeal procedures).

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- (a) The Department shall deny any request for a new or increased RCL from a provider whose RCL is terminated under this section for two years from the effective date of the RCL termination; or for a shorter period of time if the provider submits the county placement agency recommendation, as specified in Section 11-425.12, has corrected any deficiencies identified in the Findings of Audit Report which resulted in the termination of their RCL, and has implemented internal controls necessary to avoid future audit deficiencies.

| .45 Program Reinstatement/Recission

- | .451 A program reinstatement is a process to re-establish a program that has been terminated as specified in Sections 11-402.38, 11-402.39, 11-402.524, 11-402.525, 11-402.526, 11-402.527, 11-402.668, 11-402.669, and 11-405.217 through .219. A program shall be reinstated when the Department determines that all appropriate requirements specified in Sections 11-402.3, 11-402.667, and 11-405.2 have been met. For programs classified at RCL 13 and RCL 14, all requirements as specified in Section 11-402.181 must be met.

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- .452 The effective date of the rate is the date of the Department's written notification of reinstatement to the provider.
- .453 The rate shall be set, based on the current rate of the RCL in which the program is reinstated per Section 11-402.34.
- .454 The Department may rescind a program termination up to the date of termination as stated in the termination letter to the provider.
  - (a) All penalties as specified in Section 11-402.38 shall apply.
  - (b) No rescission will be granted if the program is subject to Section 11-402.664.
- .46 RCL 13 and RCL 14 Programs Reclassification
  - .461 If a group home program classified at RCL 13 or at RCL 14 fails to meet the requirements specified in Section 11-402.181, the Department shall:
    - (a) Reclassify the group home program at the appropriate lower RCL; and
    - (b) Reduce the group home program's rate.
  - .462 The effective date of the new rate shall be the date conditions in Section 11-402.181 occur.
  - .463 Penalties for failure to meet the requirements in Section 11-402.181(b) are specified in Sections 11-402.183(d) and 11-402.531(c).

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- .464 Welfare and Institutions Code Sections 11462.01(d)(1) through (d)(2) are summarized as follows:
  - (a) Any group home program classified at RCL 13 or RCL 14 will be reclassified at the appropriate lower RCL with a commensurate reduction in rate when either of the following occur:
    - (1) The group home program fails to maintain the level of care and services necessary to generate the requisite number of points for RCL 13 or 14.
    - (2) The group home program fails to maintain a certified mental health treatment program as required.

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Any non provisional audit conducted on programs that have not been established on a biennial basis shall be conducted in accordance with the regulations in effect on January 1, 2005.

.51 The Department shall conduct full or partial program or fiscal audits of any program, as often as necessary, to ensure compliance with all requirements within this section. The Department shall audit the documents submitted with the rate application request and the actual program projected in the rate application and any supporting documentation used to prepare the rate application. The scope of a program audit shall focus on the hours and weightings of workers in each of the three program components and Direct Contact Contracts. Audits shall be conducted at the group home site or other sites as determined appropriate by the Department. The Department shall provide the group home program 30 calendar days' written notice prior to conducting a program or fiscal audit.

.511 The Department may conduct a program audit earlier than the normal schedule at a provider's request in order to reduce or minimize an overpayment.

.512 The purpose of program audits shall be to determine if the program's projected RCL was or was not maintained.

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Beginning January 1, 1994, unless otherwise specified in law, a program audit will follow the field work standards contained in the "Field Work Standards for Performance Audits" section of "Government Auditing Standards" by the Comptroller General of the United States, United States General Accounting Office.

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.513 Noncompliance by the Department with the "Field Work Standards for Performance Audits" section of the "Government Auditing Standards" by the Comptroller General of the United States, United States General Accounting Office, shall not preclude or bar the Department from sustaining or collecting actual overpayments, or otherwise invalidate an audit report.

.52 Providers shall maintain program records for a minimum of five years and make them easily accessible to any Departmental staff conducting program audits. Program records to be maintained include, but are not limited to the following:

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.521 Personnel records, which may include, but are not limited to:

- (a) Current licenses; diplomas/certificates; copies of official transcripts if major shown on diploma is other than those listed as an equivalent for the appropriate program component; or diploma is from a non-accredited school; dated, original applications for employment and/or resumes; time sheets; salary schedules showing hours and amount paid; employee benefits; contracts; training and development documents; job descriptions (including position title and classification, duties and responsibilities); group home organization charts; payroll register; DE 3DP Quarterly Contributions Return; IRS form #1099-Miscellaneous Income; copies of cancelled checks (front and back) and any other records that document proof of payment; and documented verification or phone verification with supporting documentation of qualified previous employment as a residential child care worker. Employment verification for previous residential child care worker experience shall show name of previous employer, phone number of previous employer, whether employee was full-time or part-time, paid or volunteer, beginning and ending dates of employment, and job description(s) (including position and title and classification, duties and responsibilities).
- (b) For provisional rate audits, unless the provider qualifies for an exception set forth in Section 11-402.521(d), the Department shall not consider any records which are relevant to the determination of the RCL which the provider has not provided to the Department by the date the provider requests a hearing on the Department's RCL determination.
- (c) For provisional rate audits, unless the provider qualifies for an exception set forth in Section 11-402.521(d), the Department shall not consider the following personnel records in determining the program's audited RCL unless the records are made available during the field work portion of the audit:
  - (1) Records of each employee's full name, home address, occupation, and social security number.
  - (2) Time records, including but not limited to records showing when the employee begins and ends each work period, as well as meal periods, split shift intervals, and total daily hours worked.
  - (3) Total wages paid each payroll period, including gross wages and net wages after payroll deductions.



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- (4) Records which must be maintained by licensed group home providers under the provisions of Title 22 of the California Code of Regulations that are relevant to the RCL determination.
- (d) Exceptions to the provisions of Sections 11-402.521(b) and (c) may be granted by the Department if all of the following conditions are met:
  - (1) The records have been lost, stolen, or are otherwise unavailable to the provider.
  - (2) The unavailability of the records is not due to a lack of due diligence by the provider to ensure the security of the records.
  - (3) Reasonable efforts have been undertaken in a timely manner to reconstruct the information contained in the records.
  - (4) Reasonable and timely efforts have been undertaken by the provider to recover the documents and report the loss to proper authorities, including, but not limited to, law enforcement agencies and insurance companies.
  - (5) The provider has submitted to the Department a letter signed by the President of the provider's Board of Directors within 10 days of discovery indicating that records are missing and which documents conditions (1) through (4), and contains a statement that the signatory understands that the information contained in the letter is correct to the best of his knowledge and that submission of false or misleading information may be prosecuted as a crime.

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.522 Case management records, which may include, but are not limited to:

- (a) Treatment plan; psychological evaluations/reports; medical evaluations/releases; mental health professional billings including Medi-Cal billings; education evaluations/information; correspondence; dictation and documentation of services provided; court orders; quarterly reports/program reports; information required by licensing regulations under Title 22; verification from the placement agency required in Section 11-402.411(a)(7); including copies of the certifications and assessments specified in Section 11-400a.(1) and Sections 11-402.181(b) and .181(c) for children placed in a group home program classified at RCL 13 or RCL 14; copies of the program certification specified in Section 11-400c.(2) and Section 11-402.181(c) for group home programs classified at RCL 13 or RCL 14; all RCL significant information pertaining to a client shall be included in the client's record; and mental health professional's daily logs and notes, including information pertaining to day treatment programs, which verify that services were provided to children in placement.

.523 Training program records which document all the information in the training log such as:

- (a) The date(s) of training; hours of duration of each training session; certification of completion; name of trainer; qualifications and certification of the trainer's qualifications; documentation showing provider paid any costs for training, including employee wages and benefits; title and a short paragraph about the subject of the training and a list of attendees with their original signatures on a sign-in sheet for training provided onsite by a group home provider or independent third-party verification for training that is provided offsite or by an entity other than the group home provider; and any information as outlined in Sections 11-400t.(1) and (2).

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.524 A group home provider shall provide or allow the Department access to group home program records needed to establish a rate pursuant to a rate application in accordance with Sections 11-402.3 and 11-402.4, conduct a program audit in accordance with Section 11-402.5, enable the Department to collect an overpayment in accordance with Section 11-402.6, evaluate cost data reported by group home providers in accordance with Section 11-402.8, or conduct a fiscal audit in accordance with Section 11-405.1.

(a) The Department shall provide written notice to a group home provider prior to conducting either a fiscal or program audit in accordance with Section 11-402.51.

(b) A group home provider who does not provide the Department with access to group home program records for either a fiscal or program audit shall have its rate terminated pursuant to Section 11-402.39.

.525 A group home provider shall provide or allow the Department immediate access to group home program records or facilities under Section 11466.1(a)(3) of the Welfare and Institutions Code.

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Welfare and Institutions Code Section 11466.1(a)(3) states the following:

"(3) Group home providers shall allow the department immediate access to group home program information or access to a facility if the deputy director of the children and family services division of the department serves the group home provider with notice that, in the opinion of the deputy director, the immediate access to a facility or group home program information is required based on one of the following conditions or circumstances:

- (A) A temporary suspension order has been served on a group home provider.
- (B) Based on reliable evidence, the department has a valid basis for believing that proceedings have been, or will shortly be, instituted against a group home provider in a state or federal court for purposes of determining whether the provider is insolvent or bankrupt under appropriate state or federal law.
- (C) A group home provider is, or will shortly be taking, action that might reasonably hinder or defeat the department's ability to collect overpayments in the future."

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(a) A group home provider who does not provide immediate access to the Department under Section 11-402.525 shall have its rate terminated.

- (1) The Department shall provide written notice to the group home provider of the rate termination date.
- (2) The effective date of the rate termination shall be 30 days after the postmark date of the rate termination notice.
- (3) A copy of the termination notice shall be sent to the host county, the primary placing county, and any other counties which may be affected by the rate termination.

.526 A group home provider shall provide or allow access to group home program records needed to collect self-reported or sustained overpayments, which shall include but not be limited to, the following:

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- (a) Information pertaining to the ownership status of a group home provider's real and personal property, accounts in financial institutions, and any other assets shall be provided to the Department within 30 days of the postmark date of the Department's request.
- (b) The information which shall be provided to the Department within 30 days includes, but is not limited to, the following:
  - (1) The taxpayer identification number of the nonprofit corporation and the date of birth, social security number, and driver license number for any individual or member of a partnership owing an overpayment.
  - (2) The location and address of any real or personal property owned by the nonprofit corporation.
  - (3) A copy of the property deed for any property owned by a nonprofit corporation, individual, or member in a partnership owing an overpayment.
  - (4) Information concerning fictitious business names utilized by the corporation.
- (c) A completed Group Home Program Days of Care Schedule - SR 5 shall be submitted on a monthly basis.
- (d) A group home provider who does not provide the Department with the requested information shall have its rate terminated. In such cases, the following requirements shall be met prior to the termination of a group home program rate:
  - (1) The Department shall provide written notice to the group home provider of the rate termination date.
  - (2) The effective date of the rate termination shall be 60 days after the postmark date of the rate termination notice.
  - (3) The Department shall provide a copy of the termination notice to the host county and the primary placing county.

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**.53 Conducting Program Audits**

**.531** Program audits of on-going programs with no program changes during the audit period shall be conducted by reviewing the provider's report of the actual RCL and program information for the audit period.

(a) The actual RCL for each month in the audit period shall be compared to the reported RCL for the same period.

(b) The Department shall:

(1) For group home programs classified at RCL 12 or below, or for programs classified at RCL 13 or 14 when an audit was conducted prior to September 14, 1992, select and review for accuracy no fewer than two months plus the most current completed month of operation, of reported data for each provider-fiscal year of the audit period.

(2) Recompute the actual eligible hours, weightings, and program points as specified in Sections 11-402.211 through .238 to determine reporting accuracy.

(3) Effective July 1, 2002, recompute the actual eligible hours, weightings and program points for a CTF using 90 percent of licensed capacity unless a waiver has been granted in accordance with Section 11-402.233(b). Eligible hours, weightings, and program points for a CTF with a waiver shall be computed using the occupancy factor specified in the waiver.

(4) Recompute the RCL and compare it to the reported RCL for the audit period.

(5) For audits conducted for group home programs classified at RCL 13 and RCL 14, the provisions specified in Welfare and Institutions Code Sections 11462.01(d), (d)(1) and (d)(2) shall also apply.

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Welfare and Institutions Code Sections 11462.01(d), (d)(1), and (d)(2) state the following:

- "(d) Any group home program that has been classified at RCL 13 or RCL 14 pursuant to the requirements of subdivision (a) shall immediately be reclassified at the appropriate lower RCL with a commensurate reduction in rate if either of the following occurs:
- (1) The group home program fails to maintain the level of care and services necessary to generate the necessary number of points for RCL 13 or RCL 14, as required by paragraph (1) of subdivision (a). The determination of points shall be made consistent with the department's AFDC-FC ratesetting regulations, for other rate classification levels.
  - (2) The group home program fails to maintain a certified mental health treatment program as required by paragraph (3) of subdivision (a)."

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- (6) For provisional rate audits, the audit period shall consist of two full calendar months or sixty consecutive days, whichever is longer.
- (c) The Department shall determine whether or not children in placement in a group home program, classified at RCL 13 or RCL 14, are assessed/qualified children, as defined in Section 11-400a.(1).
  - (1) If the group home program does not have written approval from the IPC for any AFDC-FC funded child placed, the Department shall assess a penalty against the group home provider:
    - (A) The penalty shall be in the amount of the AFDC-FC rate paid on behalf of the child;
    - (B) The penalty shall commence the 31st day of placement and shall continue until the date the provider notifies the county placing agency, in writing, requesting the county to obtain approval from the interagency placement committee or removal of the child from the program.

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.532 Provisional rate audits shall be completed with final audit reports issued no later than 13 months after the effective date of the provisional rate.

- (a) The audit process in Section 11-402.53 shall be used except as specified in (b) and (c) below.
- (b) The RCL of a program with a provisional rate shall be determined by verifying the level of care and supervision provided by the group home program during the two full calendar months or 60 consecutive days (whichever is longer) immediately preceding the first day of the program audit.
- (c) The program audit shall not cover the first six months after the effective date of the provisional rate.

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.533 Completion of audits

- (a) A program audit shall be completed and an exit interview shall be conducted within 60 days of the start of the audit.
- (b) Program audits that remain incomplete at the end of 45 days because of the unavailability of data, records, or documents shall be completed using the information available to the Department.

.534 Exit Conference and Notification

- (a) The Department shall conduct an exit conference with the provider at the conclusion of the program audit.
- (b) A draft written summary of preliminary findings shall be provided at the exit conference. The exit conference shall be subject to the provisions of Section 11-430.111.
- (c) Except for provisional rate audits, the audit report shall be mailed to the provider within 45 days after the exit conference.
  - (1) The audit report shall contain specific information concerning the program audit findings; the specified time frames for providers to take corrective action; the procedures for overpayment collection and the right to administrative review.
  - (2) The audit report shall be subject to the provisions of Section 11-430.113.
  - (3) Notification of audit findings shall be mailed to the host and/or primary placing counties 60 days after the postmarked date of the audit report required in (c) above.
  - (4) Notwithstanding Section 11-402.534(c), if additional information is submitted by the group home provider, the date the audit report is due may be extended.
- (d) In the case of provisional rate audits, the audit report will be issued no later than 13 months after the effective date of the provisional rate.

.54 Program Audit Findings

.541 Program audit findings include the following:

- (a) The program audit verifies the projected average RCL was maintained during the audit period.

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- (b) The program audit verifies the program failed to maintain the projected RCL during the audit period.
- (c) The program audit verifies the actual average RCL is higher than the projected average RCL during the audit period.
  - (1) Providers who are operating at a higher RCL than projected:
    - (A) Shall continue to receive the rate for the projected RCL or
    - (B) Shall be permitted to submit a program change application for the higher RCL. See Section 11-402.43.
    - (C) If receiving a provisional rate, shall be permitted to submit a program change application for the higher RCL subject to the restrictions in Section 11-402.433(d).

**.55 Corrective Action**

- .551 Except for provisional rate audits, the Department shall allow the provider to bring a current program, classified at RCL 1 through 14, into compliance with the projected RCL within 60 days of the notice of audit findings or within 30 days of the notice of a self-reported overpayment when the recomputed RCL as determined by a program audit or review of a rate application of the same program, is less than the projected RCL. See Sections 11-402.534(c) and 11-402.632.
  - (a) After 60 days following the notice of audit findings or 30 days following the notice of a self-reported overpayment the Department shall reduce the RCL and rate to minimize any current overpayment.
- .552 Evidence that corrective action has been implemented shall be supported by adequate documentation which includes, but is not limited to, the following:

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- (a) A written narrative of all changes made to the group home program which demonstrates the program is operating at the current paid RCL as requested by the group home provider or determined by the Department;
- (b) Copies of timesheets/cards, payroll register, college degrees and/or transcripts, professional licenses, and documentation to support child care experience;
- (c) Program Classification Report - SR 2;
- (d) Child Care and Supervision Component Program Worksheet - SR 2A;
- (e) Social Work Component Program Worksheet - SR 2B; and
- (f) Mental Health Component Program Worksheet - SR 2C.

**.56 Audit Adjustment Process**

- .561 The Department shall adjust its audit findings of a group home program audit pursuant to Section 11466.2(b)(2) of the Welfare and Institutions Code.

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Welfare and Institutions Code Section 11466.2(b)(2) states the following:

"The department shall modify the amount of the overpayment pursuant to paragraph (1) in cases where the level of care and services provided per child in placement equals or exceeds the level associated with the program's RCL. In making this modification, the department shall determine whether services other than child care supervision were provided to children in placement in an amount that is at least proportionate on a per child basis to the amount projected in the group home's rate application. In cases where these services are provided in less than a proportionate amount, staffing for child care supervision in excess of its proportionate share shall not be substituted for non-child care supervision staff hours."

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- .562 The Department shall adjust its audit report of a group home program audit conducted pursuant to Sections 11-402.5 and 11-402.6 and adjusted in accordance with Section 11-402.561 if all of the following requirements are met:

**11-402 GROUP HOME RATE SETTING (Continued)****11-402**

- (a) The group home program hours of care and supervision provided per child in placement equal or exceed the level of care and services that are projected for the group home program's RCL;
- (b) The group home program hours for social work activities and mental health treatment services provided to children in placement shall be provided on a proportional per child basis to the amount originally projected in a group home program's on-going rate application request, new program application request, program change application request, corrective action application request, or a program reinstatement application request;
- (c) The group home program hours provided for child care and supervision in excess of its proportionate share shall not be substituted for staff hours provided in the areas of social work activities or mental health treatment services; and
- (d) In order to qualify for an audit adjustment, a group home provider shall provide, at a minimum, the level of care and services projected on line 16 of the Program Classification Report (SR 2), per child per month, for children actually in placement, in each of the service components of child care and supervision, social work activities, and mental health treatment services.
- (e) The group home program shall provide 24-hour care and supervision in accordance with subsection (a) of Section 84000 of Article 1 of Chapter 5 of Division 6 of Title 22 of the California Code of Regulations.

- .563 A group home provider who does not meet the requirements listed in Sections 11-402.561 and 11-402.562 shall not be eligible for an audit adjustment.
- .564 A group home provider who does not meet the requirements listed in Sections 11-402.561 and 11-402.562 shall not be eligible to have an overpayment amount lowered from the overpayment amount originally determined by an audit.
- .565 A group home program that substantially changes its staffing pattern shall notify all placing counties in accordance with Section 11462(e)(4) of the Welfare and Institutions Code.

**11-402 GROUP HOME RATE SETTING (Continued)**

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Welfare and Institutions Code Section 11462(e)(4) states:

"A group home program that substantially changes its staffing pattern from that reported in the group home program statement shall provide notification of this change to all counties that have placed children currently in care. This notification shall be provided whether or not the RCL for the program may change as a result of the change in staffing pattern."

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.57 Disagreements

.571 Except as provided in subparagraph (b), a provider who disagrees with the findings of a program audit and requests a different rate or disagrees with the findings of a fiscal audit disallowance, may request an administrative review of an audit report with the Department as specified in Section 11-430.12.

(a) The provider's reduced RCL and rate set by the Department shall remain in effect during the administrative review process.

(b) Providers appealing a provisional rate audit which resulted in a rate reduction shall be subject to the administrative review process provided in Section 11-430.19 and shall be eligible to receive only the RCL determined by the Department during the pendency of any appeal.

.6 Overpayments

.61 The Department shall recover all overpayments resulting from a group home provider self-reporting an overpayment or a program or fiscal audit that is sustained in accordance with Section 11466.22(d)(2) of the Welfare and Institutions Code.

.611 The Department shall collect a group home provider overpayment from the licensee or the responsible party for the overpayment in accordance with Section 11466.22(b) of the Welfare and Institutions Code.

.612 The Department shall collect interest on a group home provider overpayment in accordance with Sections 11466.22(d)(3) or (4), Section 11466.22(f), Section 11466.25, and Section 11466.3(b) of the Welfare and Institutions Code.

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- .613 A group home provider who is successful in its appeal of a collected overpayment shall be reimbursed the collected overpayment plus interest in accordance with Section 11466.22(g) of the Welfare and Institutions Code.
- .614 Overpayments (according to Section 11-402.6) shall not be assessed in the following circumstances:
- (a) The provider is able to demonstrate he/she acted prudently on erroneous information provided by an employee, and within 60 days of the notice of audit results, takes appropriate action to:
    - (1) Correct the error, or
    - (2) Adjust the RCL.
- .62 An overpayment situation shall be created when the actual average RCL falls below the projected average RCL for the same period or AFDC-FC funds are spent in a manner that is inconsistent with Section 11-404. An overpayment shall be caused by, but is not limited to, the following:
- .621 The provider does not meet the projected average RCL because of erroneous, incomplete or misleading information provided to the Department with the rate application, such as:
- (a) False documentation for staff education, experience or on-going training.
  - (b) An inaccurate number of staff hours claimed for any of the three program components.
- .622 A Department administrative error is made notifying a provider of their RCL.

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Example: A provider submits an application indicating an RCL of five. The Department verifies the projected RCL five. A clerical error is made in the notification letter to the provider indicating the projected RCL is seven. In this situation, the provider is aware or should reasonably be aware that his/her program is only an RCL five. If the provider fails to notify the Department of the discrepancy, an overpayment shall be generated.

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<b>11-402</b>	<b>GROUP HOME RATE SETTING (Continued)</b>	<b>11-402</b>
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- | .623 The provider's on-going group home program rate application is submitted late and/or incomplete.
- | .624 The provider fails to maintain. See Section 11-400f.(1).
- | .625 A group home program classified at RCL 13 or RCL 14 is reclassified in accordance with provisions in Section 11-402.46.
- | .626 The group home provider owes a penalty assessed by the Department in accordance with Sections 11-402.183(d) or 11-402.531(c).
- | .627 AFDC-FC program funds are spent on items not listed in Section 11460(b) of the Welfare and Institutions Code.
- | .628 AFDC-FC program funds are not spent on permissible items as specified in Section 11-404.
- .63 Overpayments shall be determined by:
  - | .631 The provider reporting information to the Department related to the on-going group home program rate application, new program and RCL changes.
  - .632 The group home provider self-reporting an overpayment.
    - (a) A group home provider who self-reports an overpayment may reconcile the previously submitted information with corrected information which shall be subject to the following:
      - (1) A group home provider who modifies a self-reported overpayment shall meet the documentation requirements contained in Sections 11-402.3, 11-402.4, 11-402.5, 11-405.1, and 11-402.8.
      - (2) A group home provider who fails to reconcile in accordance with Section 11-402.632(a)(1) shall be subject to Sections 11-402.3, 11-402.5, and 11-402.6.
      - (3) A group home provider shall have 30 days from the postmark date of the letter notifying the provider of an overpayment to reconcile self-reported information that identifies the overpayment.
    - (b) The information submitted by a group home provider which identifies a self-reported overpayment shall be subject to the audit adjustment process contained in Section 11-402.56.



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- .633 The Department verifying through a fiscal audit that a group home provider expended AFDC-FC program funds on items not listed in Section 11460(b) of the Welfare and Institutions Code (see handbook example at Section 11-402.82) or Section 11-402.826 or on items listed in Section 11-402.825.
- .634 The Department verifying an actual RCL lower than projected RCL during the rate application process or a program audit; or
- .635 The Department verifying during the rate application process or a program audit, that a group home program classified at RCL 13 or RCL 14 did not meet all the requirements specified in Sections 11-402.181.
- .636 The Department determining through a management decision, that a non-profit corporation misused or fraudulently expended AFCD-FC program funds. If an overpayment exists as determined by a program audit and the Department has determined that a non-profit corporation misused or fraudulently expended funds in accordance with Section 11-405.23, then only the greater of the overpayment amounts is subject to recovery.
- .64 Overpayment Processing:
  - .641 The Department shall provide written notification to the provider and affected counties of an overpayment according to Section 11-402.534(c).
  - .642 The beginning date of an overpayment shall be the earlier of:
    - (a) The first day of the provider's fiscal year within the audit period for an on-going program, or
    - (b) The date of first placement at the incorrect RCL for new programs, program changes, or program reinstatements; or
    - (c) For a group home program classified at RCL 13 or RCL 14, the date of occurrence, as specified in Section 11-402.46 or the penalty period as specified in Sections 11-402.183(d) and 11-402.531(c).
  - .643 The amount of overpayment shall be computed by:
    - (a) Averaging the actual number of points per month for the total audit period.

**11-402 GROUP HOME RATE SETTING (Continued)**

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- (b) Subtracting the average in (a) from the lowest point level in the point range of the projected RCL for the audit period to determine the number of points below the projected average RCL. The number of points below the projected average RCL shall be used to determine the overpayment factor as follows:

Number of Points below projected average RCL	Overpayment Factor
(1) 1 - 5	= \$100
(2) 6 - 10	= \$200
(3) 11 - 30	= 100 percent of the difference between the rates in the projected and actual RCLs. The difference shall be determined by subtracting the dollar amount corresponding to the rate floor of the audited RCL for the audit period from the actual paid rate.

- (c) Multiplying the average group home occupancy of children who receive AFDC-FC during the audit period by the number of months in the audit period times the overpayment factor in (b).
- (d) The result is the total overpayment owed.
- (e) If the actual audited average RCL is more than one RCL below the projected average RCL, the overpayment is computed by adding the difference in the rates between the RCL(s), as computed in accordance with Section 11-402.643(b)(3), plus the overpayment factor for the partial RCL.
- (f) During the period a program received a frozen rate, any overpayments shall be assessed as specified in Section 11-402.943.
- (g) A fiscal audit overpayment amount shall be the amount determined under Section 11-402.633.

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Example: The actual average RCL is one RCL below the projected average RCL. A provider has a six-bed facility with an average of five actual occupancy. Projected RCL for FY(s) 90-91 and 91-92 is RCL 6, point range 180-209. The following are the actual monthly points generated by the provider:

Months:	J	F	M	A	M	J	J	A	S	O	N	D
	190	170	170	190	170	120	120	190	180	180	180	180

(a)  $2040 \text{ pts./12 mos.} = 170 \text{ total monthly average points for the audit year.}$  The overpayment is:  $10 \text{ pts.} = \$200 \times 5 \text{ actual average occupancy} \times 12 \text{ mos.} = \$12,000.$

Example B: The actual average RCL is more than one RCL below the projected average RCL. A group home provider has a six-bed facility with an average of five actual occupancy. Projected RCL for FY(s) 90-91 and 91-92 is RCL 6, point range 180-209. The following are the actual monthly points generated by the group home provider:

Months:	J	F	M	A	M	J	J	A	S	O	N	D
	145	157	133	151	141	141	151	145	133	157	145	141

$1740 \text{ points/12 months} = 145 \text{ (RCL 4) total monthly average points for the audit year.}$  The overpayment is:  $35 \text{ points} = \$352 \text{ total overpayment factor} \times 5 \text{ actual average occupancy} \times 12 \text{ months} = \$21,120.$

Projected RCL Points (180) minus Audited Points (145) equals Points Below RCL (35)

Total RCL Point difference	35
Number of points between each RCL	-30
Remaining number of points below RCL	5

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Determination of Overpayment Factor:

Paid RCL (6) =	\$2,258
Less one full RCL (5)	-2,006
100 percent difference	\$252
Plus remaining overpayment factor [11-402.643(a)]	+100
Total overpayment factor	\$352

Overpayment calculation: \$352 total overpayment factor X 5 actual average occupancy  
X 12 months = \$21,120

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- .65 A program which experiences a second overpayment during the program's lifetime shall be assessed the full rate difference between the two RCLs X average actual occupancy X the number of months in the audit period.
- .66 Overpayment Collection
- .661 The Department shall collect group home provider overpayments in the following order of priority:
- (a) A lump sum repayment (see Section 11-402.662).
    - (1) A 12-month repayment agreement (see Section 11-402.662(a)).
    - (2) A balancing process (see Section 11-402.662(b)).
  - (b) A repayment agreement (see Section 11-402.663).
  - (c) A mandatory repayment schedule (see Section 11-402.664).
    - (1) A rate request denial (see Section 11-402.667).
    - (2) Rate termination (see Section 11-402.668).
- .662 The Department shall allow a group home provider who owes either a self-reported or sustained overpayment to repay the overpayment amount in a lump sum payment.
- (a) Notwithstanding Section 11-402.662, a group home provider may choose to repay an overpayment through a 12-month repayment agreement.

**11-402 GROUP HOME RATE SETTING (Continued)**

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- (1) A 12-month repayment agreement shall meet the following requirements:
    - (A) A 12-month repayment agreement shall be entered into within 30 days from the date an overpayment is sustained or 30 days from the postmark date of a letter notifying a group home provider of a self-reported overpayment that is not reconciled in accordance with Section 11-402.632(a);
    - (B) For overpayments of \$100,000 or less that are repaid within six months from the date of the executed agreement, interest shall not be assessed on the overpayment;
    - (C) For overpayments exceeding \$100,000 that are repaid within 12 months from the date of the executed agreement, interest shall not be assessed on the overpayment.
  - (2) Failure to enter into a repayment agreement in accordance with the requirements listed under Section 11-402.663 or enter into a 12-month repayment agreement and repay an overpayment within the time frames established in Section 11-402.662(a)(1) shall subject a group home provider to a mandatory repayment schedule in accordance with Section 11-402.664.
  - (b) The Department shall use a balancing process whenever an amount is owed to a group home provider by crediting the amount owed towards repayment of a sustained overpayment amount in accordance with Section 11-400b.(1).
    - (1) Balancing shall not affect the current approved rate.
- .663 The Department shall allow a group home provider who owes either a self-reported or sustained overpayment to repay the overpayment amount through a repayment agreement, as defined in Section 11-400r.(7). The repayment agreement shall be entered into within 30 days from the date of a sustained overpayment or 30 days from the postmark date of a letter notifying a group home provider of a self-reported overpayment and shall contain all of the following terms:
- (a) The overpayment amount plus interest in accordance with Section 11-400r.(7) shall be repaid within 9 years from the date the repayment agreement is effective:

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- (1) The overpayment amount shall become due and payable in accordance with Section 11-400o.(4).
- (2) Interest on the overpayment amount shall become due in accordance with Section 11466.25 of the Welfare and Institutions Code.

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Welfare and Institutions Code Section 11466.25 states the following:

"Interest begins to accrue on a group home provider overpayment on the date of the issuance of the final audit report."

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- (b) The repayment agreement shall include the amount of the overpayment plus interest for the audit period during which the specific program incurred the overpayment.
- (c) The minimum monthly repayment amount to be used for a repayment period not to exceed 9 years for the overpayment amount including interest shall be 3 percent of the program's monthly income. The interest shall be based on the following:
  - (1) Simple interest based on Surplus Money Investment Fund for the first seven years.
  - (2) Simple interest based on the prime rate plus three percent for the eighth and ninth years.
  - (3) The interest rate is fixed using the Surplus Money Investment Fund rate in effect on the date interest begins to accrue in accordance with Welfare and Institutions Code 11466.25.

**11-402 GROUP HOME RATE SETTING (Continued)****11-402**

- (f) The repayment agreement, at a minimum, shall specify the number of months of the agreement, the amount of the monthly payment, and the date the payment is due.
  - (1) The overpayment plus interest shall be repaid no later than nine years from the date the repayment agreement is effective.
  - (2) A group home provider may choose one of the following options to ensure that the requirement in Section 11-402.663(f)(1) is met.
    - (A) A lump sum repayment for any remaining overpayment amount plus remaining interest at the end of the 9-year repayment period.
    - (B) A monthly repayment amount that is higher than the minimum amount required in Section 11466.22(d)(3) of the Welfare and Institutions Code that will ensure that the overpayment amount plus interest is repaid within 9 years.
- (g) The Director may renegotiate a repayment agreement if adhering to the repayment agreement results in severe harm to children in placement and all of the following conditions exist:
  - (1) A group home provider requests that the Department renegotiate the repayment agreement because it is unable to meet its obligations under the agreement.
  - (2) A group home provider shall provide to the Department written documentation from an independent financial or accounting agency that certifies the following:
    - (A) The group home provider is unable to meet its obligation to make monthly payments to repay the overpayment plus interest in order to comply with Section 11-402.663 and also maintain the level of care and services associated with its RCL; and
    - (B) The group home provider has evaluated existing program operations and has implemented reductions, wherever possible, to current operating expenses, contracts, leases, and salary levels.

**11-402 GROUP HOME RATE SETTING (Continued)****11-402**

- (3) A group home provider shall obtain and forward a declaration to the Department, signed by the Director of the host or primary county, that the following conditions exist:
  - (A) There is no other placement resource that meets the needs of the current children in placement; and
  - (B) The transfer from the current program to another program will result in the disruption of successful placements of the current children.
- .664 The Department shall apply a mandatory repayment schedule against a group home provider who owes either a self-reported or sustained overpayment if the group home provider does not enter into a repayment agreement in accordance with Section 11-402.663 or the group home provider has three outstanding payments on a repayment agreement before an overpayment is repaid. The mandatory repayment schedule shall be subject to the following requirements:
  - (a) The overpayment amount plus interest in accordance with Section 11-400m.(1) shall be repaid within 7 years from the date the mandatory repayment schedule takes effect.
    - (1) The overpayment amount shall become due and payable in accordance with Section 11-400o.(4).
    - (2) Interest on the overpayment amount shall become due and payable in accordance with Section 11466.25 of the Welfare and Institutions Code.
    - (3) The monthly repayment amount referenced in Section 11466.22(d)(4) of the Welfare and Institutions Code shall be raised to an amount that will ensure that the overpayment plus interest shall be repaid within 7 years of the effective date of the mandatory repayment schedule.
  - (b) The mandatory repayment schedule shall recover the overpayment amount plus interest for the audit period during which the specific program incurred the overpayment.
  - (c) The minimum monthly repayment amount for the overpayment amount including interest shall be 5 percent of the program's monthly income. The interest shall be based on the following:



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(c) The judgment lien may, within 10 years from the date of recording of the abstract of judgment or within 10 years from the date of the last extension of the lien in the manner provided in this section, be extended by recording a new abstract in the office of the county recorder of any county. From the date of that recording, the lien shall be extended for 10 years, unless sooner released or otherwise discharged."

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(b) The Department may release a lien on a group home provider's property in accordance with Section 11466.34(d) of the Welfare and Institutions Code.

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Welfare and Institutions Code Section 11466.34(d) states the following:

"(d) The department may release any lien imposed pursuant to this chapter, at the provider's cost, in which case any judgment pertaining to that lien is for all purposes null and void, if all the following conditions are met:

- (1) No temporary suspension order or license revocation actions by the department's community care licensing division is pending against a provider.
- (2) A provider has made at least three timely payments on a repayment agreement.
- (3) The provider submits to the department corroborative evidence that it is unable to obtain a loan from an institutional lender unless the lien is released."

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**11-402 GROUP HOME RATE SETTING (Continued)****11-402**

- (1) Prior to the Department releasing a lien under this subsection, the group home provider shall forward to the Department a check made payable to the California Department of Social Services for the appropriate county filing fee, if applicable, through certified mail, domestic receipt requested, to the following address:

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES  
744 P Street, M.S. 14-68  
Sacramento, California 95814  
ATTN: Cashier

- (2) The corroborative documentation in accordance with Section 11-402.666(b) shall be in writing.

.667 Any group home provider who has its rate terminated and has any outstanding self-reported or sustained overpayments shall be ineligible to receive a rate for any group home program until all overpayments are repaid.

- (a) On-going rate applications shall not be approved for any group home provider under either of the following circumstances:

- (1) A group home provider owing either a self-reported or sustained overpayment and incurring a second overpayment shall not be eligible to receive a rate until the overpayments are repaid.
- (2) Any group home provider incurring a self-reported or sustained overpayment that constitutes more than 60 percent of the group home provider's annual rate reimbursements shall not be eligible to receive a rate until the overpayment is repaid.

- (b) Notwithstanding Section 11-402.667(a), a group home provider with an approved repayment agreement shall be eligible for a rate for either an existing or future group home program.

.668 The Department shall terminate a group home program's rate for a self-reported or sustained overpayment in accordance with Section 11466.36(a) of the Welfare and Institutions Code.

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Welfare and Institutions Code Section 11466.36(a) states the following:

"(a) The department may terminate a group home rate if any of the following conditions are met:

(1) The director determines that, based upon the findings of a hearing officer, a rate application or information submitted by a provider was fraudulently submitted to the department.

(2) A provider with an outstanding sustained overpayment incurs a second sustained overpayment, and is unable to repay the sustained overpayments.

(3) A provider has a sustained overpayment that represents 100 percent of a provider's annual rate reimbursement."

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.669 A group home provider that has a rate terminated under Section 11-402.668 shall have the rate terminated in accordance with Sections 11-402.393 and 11-402.394.

.7 Renumbered to Subsections 11-405.1 through .141 by Manual Letter No. OPS-99-01, effective 1/1/99.

.8 Cost Reporting

.81 A provider shall report the actual allowable and reasonable costs for each program to the Department on Forms SR 3 and SR 4 based on the provider's fiscal year in accordance with Section 11-405.214.

.811 If the provider has established a new program within the provider's previous fiscal year and has less than 12 months of data, the provider shall submit cost data for the first month the rate is effective to the end of the provider's fiscal year.

.812 Repealed by Manual Letter No. OPS-03-01, effective 2/13/03.

**11-402 GROUP HOME RATE SETTING (Continued)**

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**.82 Allowable Costs**

Reported costs shall be actual allowable and reasonable as defined in federal statutes and regulations including 45 CFR, Part 74 and 45 CFR, Part 1356 in addition to other costs listed in Sections 11-402.821 and .822.

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Actual allowable and reasonable costs as defined in 45 CFR, parts 74 and 1356 state in part:

- "(a) The reasonable cost of, and the cost of providing the following:
- (1) Food.
  - (2) Clothing.
  - (3) Shelter.
  - (4) Daily supervision.
  - (5) School supplies.
  - (6) Personal incidentals.
  - (7) Travel to the child's home for visitation.
  - (8) Liability insurance which covers the child.
- (b) The reasonable cost of administration and operation necessary to provide the items described in (a) above."

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.821 The reasonable social work activities offered by providers.

.822 Reasonable, actual principal and interest on original acquisition mortgages.

- (a) If the original acquisition mortgages are refinanced, the lesser of the following shall be allowed.
- (1) The amount of interest associated with the original acquisition loan amounts, or

**11-402 GROUP HOME RATE SETTING (Continued)**

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(2) The amount of interest associated with the remaining principals.

.823 The reasonable, lease or rental costs for real property.

.824 The reasonable cost incurred for vehicle and equipment leases as if owned by the provider as described in Section 11-402.827(b).

(a) Beginning July 1, 1997 vehicle and equipment costs shall not include the costs for leaseback transactions.

.825 Costs that are not allowable shall include, but not be limited to, the following:

(a) Overhead and supervision costs associated with unallowable activities.

(b) Litigation expenses associated with suits filed against an agency of the county, state, or federal governments.

(c) Retainer fees for consultants, physicians, lawyers, and accountants.

(d) Psychiatric and psychological consultations associated with unallowable Title IV-E activities.

(e) The cost of medical diagnosis, hospital expenses, and physician services.

(f) The cost of formal educational activities.

(g) Vocational training which substitutes for formal education.

(h) Recreation costs except where it substitutes for otherwise necessary daily supervision.

(i) The cost of more than one appraisal per year per facility; the cost of an appraisal performed by an appraiser deemed by the Department not to be a qualified, professional appraiser meeting the standard specified in Section 11-402.827(a)(1)(A)(ii); and the cost of appraisals performed under a less-than-arms-length agreement or by a person or persons employed by, under contract with for purposes other than performing appraisals, or having a material interest in any group home which receives AFDC-FC funds.

**11-402 GROUP HOME RATE SETTING (Continued)**

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- (j) Any cost for a child living with his/her minor parent.
- (k) Beginning July 1, 1997 any costs for vehicle and equipment leaseback transactions.
- (l) Except as provided in Welfare and Institutions Code 11462.06(d)(1), commencing July 1, 2003, self-dealing lease transactions for shelter costs are not eligible for an AFDC-FC rate.

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Welfare and Institutions Code 11462.06(d)(1) states:

"Commencing July 1, 2003, any group home provider with a self-dealing lease transaction for shelter costs, as defined in Section 5233 of the Corporations Code, shall not be eligible for an AFDC-FC rate."

Welfare and Institutions Code 11462.06(d)(2) states:

"Notwithstanding paragraph (1), providers that received an approval letter for a self-dealing lease transaction for shelter costs during the 2002-03 fiscal year from the Charitable Trust Section of the Department of Justice shall be eligible to continue to receive an AFDC-FC rate until the date that the lease expires, or is modified, extended, or terminated, whichever occurs first. These providers shall be ineligible to receive an AFDC-FC rate after that date if they have entered into any self-dealing lease transactions for group home shelter costs."

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.826 Cost Components. The nine cost group definitions are as follows:

- (a) CCS. All costs related to the hours of CCS reported in the Program Classification Report (SR 2) are to be reported. These include functions of day-to-day care of the child that would be considered ordinary parental duties and supervision of the caregiver. Do not include social work activities. Include payroll, payroll taxes and employee benefits. Include contract costs if a child care worker is under contract.
- (b) Social Work Activity. All costs related to the direct social work services described in Sections 11-400s.(4) and 11-402.212, including but not limited to, payroll, payroll taxes, employee benefits, and contract costs, if a social worker is under contract.

**11-402 GROUP HOME RATE SETTING (Continued)**

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- (c) Food. All costs related to food planning, preparation and service, kitchen supplies, and food stuffs for children in placement including, but not limited to, food worker payroll, payroll taxes, employee benefits, food expense and kitchen supplies.
- (d) Shelter. Shelter costs include, but are not limited to, the original mortgage principal and interest for owned real property; use allowance on buildings for which no original mortgage principal or interest is claimed for owned real property; reasonable lease or rental costs of real property; use allowance for capital improvements; taxes; building insurance; and appraisals for owned, leased, or rented real property.
- (e) Buildings and Equipment. Building and equipment cost include, but are not limited to, building and equipment payroll; payroll taxes and employee benefits; building maintenance; contracts; supplies; equipment leases; equipment depreciation expense; expendable equipment; and miscellaneous building and equipment expenses.
- (f) Utilities. Utilities costs include, but are not limited to, the cost of electricity, natural gas, water, garbage, and sewer.
- (g) Vehicles & Travel. Vehicle and travel costs include vehicle leases, depreciation, operating costs and transportation of the child.
- (h) Child-Related. Child-related costs include, but are not limited to, clothing, personal and incidental expenses for the child, school supplies, planned activities, and other child-related costs. County paid clothing allowances shall offset these costs by the amount actually paid.
- (i) Administration. The costs necessary for the on-going administration and support functions of the organization include, but are not limited to, administration payroll; contracts; telephone; postage and freight; office supplies; administrative travel; conferences; meetings; in-service training; memberships; subscriptions; dues, printing and publications; bonding; general insurance; organizational costs; advertising; recruiting; and miscellaneous.

.827 For purposes of reporting AFDC-FC costs, the determination of what is reasonable shall be based upon the standards listed below and the actions a prudent person would take in similar circumstances.

- (a) Shelter costs shall be considered reasonable in relation to the fair market value limit as described below:

**11-402 GROUP HOME RATE SETTING (Continued)**

**11-402**

- (1) Reimbursement of shelter costs shall not exceed 12 percent of the fair market value of owned, leased, or rented buildings, that are used for group home programs and activities exclusive of idle capacity and capacity used for nongroup home programs and activities.
- (A) Fair market value shall be determined by either of the following methods as chosen by the provider:
- (i) The market value shown on the last tax bill for the cost reporting period, or
  - (ii) The market value determined by an independent appraisal. The appraisal must be performed by a qualified, professional appraiser who, at a minimum, meets standards for Class III appraisers as specified in Title 10, California Administrative Code, Subchapter 2, and shall not be deemed independent if performed under a less-than-arms-length agreement or by a person or persons employed by, under contract with for purposes other than performing appraisals, or having a material interest in any group home which received AFDC-FC funds. The Department shall have the authority to determine that any appraisal does not meet the standard specified herein.



**11-402 GROUP HOME RATE SETTING (Continued)****11-402**

(B) Shelter costs for the purpose of the limit specified in Section 11-402.827(a) shall include, but not be limited to, the following:

- (i) Original mortgage principal and interest, for owned property;
- (ii) Use allowance on buildings for which no original mortgage principal or interest is claimed, for owned property;
- (iii) Reasonable lease or rental costs for leased or rented real property;
- (iv) Use allowance for capital improvements, for both owned and leased or rented property;
- (v) Taxes, for both owned and leased or rented property; and
- (vi) Insurance, for both owned and leased or rented property; and
- (vii) The costs of independent appraisals, for both owned and leased or rented property.

(b) Annual vehicle costs shall be deemed reasonable subject to the following conditions:

- (1) Total annual vehicle costs may not exceed the standard rate allowed by the Internal Revenue Service for business use in effect at the time the vehicle costs are incurred.
- (2) Except as provided in Section 11-402.827(b)(1), the total annual costs for vehicles may include the reasonable costs of purchasing or leasing and operating group home vehicles, including such costs as: depreciation, insurance, fuel, maintenance and repairs, license fees, taxes, and reimbursements to employees for business use of their personal vehicles.

**11-402**      **GROUP HOME RATE SETTING (Continued)**

**11-402**

- (c) All executive compensation shall be reported for each executive officer. The reasonableness standards and criteria for executive compensation are contained in Internal Revenue Code Section 4958. This rule shall apply to all individuals of the non-profit corporation deemed by the Internal Revenue Service to be anyone in a position to exercise substantial influence over a non-profit corporation's affairs. This rule may apply to the individual's immediate family as well as to family-controlled entities. Compensation provided in accordance with Internal Revenue Code Section 4958 shall be deemed to be reasonable for the purposes of reporting AFDC-FC costs.

**11-402 GROUP HOME RATE SETTING (Continued)****11-402**

NOTE: Authority cited: Sections 10553, 10553(e), 10554, 11460(b), 11462, 11462(a)(3), 11462(j), 11462.06, 11466.1, 11466.2, and 11466.21, Welfare and Institutions Code and Chapter 1294, Statutes of 1989, Section 23. Reference: Sections 1502(a)(1), 1502.4(b), and 1530.8, Health and Safety Code; Section 3353, California Labor Code; Sections 366, 4096.5, 4096.5(a), (c), (c)(1), and (2), and (d), 10852, 11226, 11228, 11230, 11231, 11232, 11233, 11235, 11236, 11400(h), 11402.5(a), 11460, 11460(b)(1), 11462, 11462(a)(1), (a)(2) and (a)(3), 11462(d), 11462(e)(3), 11462(g)(14), 11462(i)(1)(B), 11462.01(a), (a)(1), (2), and (3), 11462.01(b), 11462.01(d), (d)(1) and (2), 11462.01(e), 11462.01(f)(1), (2), and (3), 11462.01(g)(1), (2), (3), and (4), 11462.01(h), 11462.01(i)(1), (2), and (3), 11462.01(j), 11462.03, 11462.06(d)(1) and (d)(2) (Senate Bill 1104, Chapter 229, Statutes of 2004), 11466.1, 11466.2, 11466.2(b)(2), 11466.3, 11466.4, 11466.22, 11466.25, 11466.31, 11466.32, 11466.33, 11466.34, 11466.35, 11466.36, 11467, 11467.1 (Assembly Bill 1197, Chapter 1088, Statutes of 1993), 11468 through 11468.6, 16522(a) and (b), 16501.1(d), and 18350, Welfare and Institutions Code; Sections 1502(a)(1) and (a)(8), Health and Safety Code; Section 4980.08, Business and Professions Code; Assembly Bill 1575, Chapter 728, Statutes of 1997; Public Laws 98-502 and 104-156; The Classification of Group Home Programs Under the Standardized Schedule of Rate System Report, August 30, 1989; Title 8, California Code of Regulations, Section 11050, and Title 1, Division 2, Section 5233, California Corporations Code; and federal Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; *Government Auditing Standards* of the Comptroller General of the United States (Yellow Book); Department of Health and Human Services, Administration for Children and Families letters dated April 19, 2001, February 22, 2002 and May 7, 2002; and the Internal Revenue Code Section 4958.

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**11-403 FOSTER FAMILY AGENCY RATES****11-403****(a) Rate Determination Process**

- (1) The Department shall set rates for each foster family agency utilized by counties which place AFDC-FC children.
  - (A) The rate for a foster family agency program which provides treatment services for children who have treatment needs shall be set in accordance with Sections 11-403(a)(2) and 11-403(b)-(k).
    1. As used in (A) above, "treatment needs" means that the placement agency, as defined in Section 11-400p.(3), has determined that the child has services needs which:
      - (i) Cannot be provided in an available family home;

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(See family home definition specified in Section 11-400f.(3).)

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- (ii) Would require group home placement if the child was not referred to a foster family agency; and
    - (iii) Can be met by the program offered by the foster family agency to which the child is being referred.
  2. The payment to foster parents of a foster family agency shall be at least as great as the Department's schedule of foster family agency basic rates plus the amount added by the Department in recognition of the specialized nature of the children placed in such homes.
- (B) The rate for a foster family agency program which does not provide treatment services shall be the foster family agency basic rates as specified in Section 11-403(d)(1)(B).
  1. A specialized care rate as defined in Section 11-400s.(7) may be paid for a child placed in certified family home of a foster family agency as described in (B) above when the following conditions are met:
    - (i) the placing agency has determined that the child has care needs greater than those of a normal foster child; and

<b>11-403</b>	<b>FOSTER FAMILY AGENCY RATES (Continued)</b>	<b>11-403</b>
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- (ii) the placing county has a specialized care system as specified in Section 11-401.3.

(See Section 11-401.4 for out of county placement requirements for specialized care.)

- (2) One rate shall be set for each program for which a rate request is received from a given foster family agency.

- (A) Each foster family agency shall identify and describe each of the programs it offers.

- (B) The Department shall have the authority to verify the legitimacy and accuracy of the descriptions of each program offered.

- (C) Where a foster family agency submits a rate request for more than one program and the Department determines that no significant difference exists between the programs, a separate rate or set of age-based rates shall not be set.

| (b) Rate Ceilings – Rate ceilings are pursuant to Welfare and Institutions Code 11461(a)(2) and 11463.

(c) Allowable Costs

- (1) Reported costs shall be actual allowable and reasonable as defined in federal statutes and regulations including 45 CFR Part 74, 45 CFR Part 1356, and Section 11-402.8.

- (A) Allowable costs shall include:

- 1. Payment to the foster parents for those items specified in Sections 11-401.11 and .12.

<b>11-403</b>	<b>FOSTER FAMILY AGENCY RATES (Continued)</b>	<b>11-403</b>
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2. Reasonable social work activities provided by the foster family agency as defined in Section 11-400s.(4).
3. The reasonable cost of activities of recruiting and training certified family home foster parents and administration of the provision of items or services described in 1. and 2. above.
4. Executive Compensation

All executive compensation shall be reported for each executive officer. The reasonableness standards and criteria for executive compensation are contained in Internal Revenue Code Section 4958. This rule shall apply to all individuals of the non-profit corporation deemed by the Internal Revenue Service (IRS) to be anyone in a position to exercise substantial influence over a non-profit corporation's affairs. This rule may apply to the individual's immediate family as well as to family-controlled entities. Compensation provided in accordance with Internal Revenue Code Section 4958 shall be deemed to be reasonable for the purposes of reporting AFDC-FC costs.

(d) Rate Calculation

- (1) The rate shall consist of the sum of the following amounts per month per child:

- |                |     |   |       |       |      |       |       |
|----------------|-----|---|-------|-------|------|-------|-------|
|                | (A) | The foster family agency basic rate as specified in Section 11-403(d)(1)(B), plus an additional increment for the child of \$210;   |       |       |      |       |       |
|                | (B) | The following FFA Basic Rates are effective July 1, 2001.   |       |       |      |       |       |
| Age            |     | <table style="width: 100%; text-align: center;"> <tr> <td>0-4</td> <td>5-8</td> <td>9-11</td> <td>12-14</td> <td>15-19</td> </tr> </table>                                | 0-4   | 5-8   | 9-11 | 12-14 | 15-19 |
| 0-4            | 5-8 | 9-11  | 12-14 | 15-19 |      |       |       |
| FFA Basic Rate |     | <table style="width: 100%; text-align: center;"> <tr> <td>414</td> <td>450</td> <td>479</td> <td>533</td> <td>580</td> </tr> </table>                                     | 414   | 450   | 479  | 533   | 580   |
| 414            | 450 | 479   | 533   | 580   |      |       |       |
|                | (C) | The amount of \$329 for social work services, or the actual allowable amount for the most recent program fiscal year reported by the provider, whichever is less;         |       |       |      |       |       |
|                | (D) | An amount equal to two-thirds of the sum of (A), (B) and (C) above for recruitment, training, and administration. Effective January 1, 2000, two-thirds shall equal .667. |       |       |      |       |       |





**11-403 FOSTER FAMILY AGENCY RATES (Continued)**

**11-403**

1. If all the required forms necessary to the actual setting of rates have been submitted, but additional documentation is needed, the rate request shall be considered complete if the foster family agency submits the remaining documentation within 30 days after notification by the Department.

A complete rate request shall include:

- a. A complete Foster Family Agency – Data and Certification Sheet (FCR 1FFA);
- b. A complete Program Description Checklist (FCR 2FFA);
- c. A complete Days of Care Schedule (FCR 3FFA) for the rate period;
- d. A copy of the license issued by CCL in accordance with Title 22, Division 6, of the California Code of Regulations, for each foster family agency, when received;
- e. The organization's tax exempt status letter from either the Internal Revenue Service (IRS) or the California Franchise Tax Board designating the provider as tax exempt; if any changes have occurred since submission of the last tax exempt status letter.
- f. An endorsed copy of the agency's Articles of Incorporation, filed with the California Secretary of State, if any changes have occurred since submission of the last Articles of Incorporation, demonstrating the organization:
  - (i) Operates in the public interest for scientific, education, service or charitable purposes;
  - (ii) Is not organized for profit making purposes; and
  - (iii) Uses its net proceeds to maintain, improve or expand its operations.
- g. A declaration signed by the non profit corporations' Board of Directors that the non profit corporation will operate during the rate period in the public interest for scientific, education, service or charitable purposes; is not organized for profit making purposes; and uses its net proceeds to maintain, improve or expand its operations.
  - (i) The provider shall immediately notify the Department if the non profit corporation ceases to operate on a non profit basis.
  - (ii) The provider shall immediately notify the Department whenever the non profit corporation becomes inactive, suspended, or otherwise is not in good standing.

**11-403 FOSTER FAMILY AGENCY RATES (Continued)****11-403**

- h. A copy of the credentials demonstrating that each social worker providing services for the program meets the requirement specified in the Health and Safety Code Section 1506, if not submitted with a previous rate request.
- (C) A complete rate request shall be due according to a schedule determined by the Department. The Department shall provide reasonable written notice of the schedule due date.
1. A foster family agency that does not submit a complete rate request by the rate effective date shall not have a rate set for the new rate period, and shall not be eligible to receive AFDC-FC funds 60 days after the rate effective date.
- (D) Exceptions to these due dates shall be as specified in Section 11-403(g).

**(2) Effective Date of Rates**

- (A) The effective date of the rate shall be the first day of the second month following the rate request due date.

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Example: Due date is January 1

- January is not counted
- First day of second full month following January is March

Effective date is March 1

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- (B) Exceptions to the effective dates of rates shall be as specified in Section 11-403(g).
- (3) Penalty Procedures**
- The Department's penalty procedures for late or incomplete rate requests shall be as follows:
- (A) Rate requests not submitted on or before the due date and rate requests that are incomplete are considered late rate requests.
- (B) The rates for late requests are subject to a monetary penalty equal to three (3) percent applied to the agency's administrative rate component of the rate per child.
- (C) The rates are subject to the penalty for the number of months the rate request was late beginning on either the rate effective date or the date the rate is reinstated if the rate expired or is terminated.

11-403	FOSTER FAMILY AGENCY RATES (Continued)	11-403
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- (D) The foster family agency program shall be subject to expiration of the rate in accordance with Section 11-403(f)(1)(C)1. for failure to submit a complete rate request prior to the rate effective date.

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Example: Rate request is due January 1 and rate is effective March 1; if the rate request is late but completed in January, the administrative component of the rate per child is penalized for one month in the month of March.

Rate request is due January 1 and rate is effective March 1; if the rate request is late but completed in February, the administrative component of the rate per child is penalized for two months in the months of March and April

Rate request is due January 1 and rate is effective march 1; if teh rate request is not completed by March 1, the foster family agency program shall be subject to the rate termination process as specified in Section 11-402.393 for failure to submit a complete rate application prior to the rate effective date. Once reinstated, the administrative component of the rate is penalized per child for the number of months late beginning in the month reinstated.

The total rate for a 12-year old child would be computed as follows:

Basic rate	\$ 533
Increment for child	210
Social Work services	<u>329</u>

Total	\$1,072
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Take two-thirds (.667) times the subtotal:  $.667 \times \$1,072 = \$715$   
 $\$1,072 + \$715 = \$1,787$

**PENALTY APPLIED:**

Take three (3) percent of \$715 ( $\$715 \times .03 = \$21.45$ )  
 $\$715 - \$21.45 = \$693.55$

The amount for the administrative component is reduced \$21.45 per child per month. The total rate is \$1,765.55 ( $\$1,072 + \$693.55$ ). This reduced amount will be paid for the number of months late. For the remaining ongoing rate period, the full rate will be paid for each child.

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- (4) Rate Reestablishment

<b>11-403</b>	<b>FOSTER FAMILY AGENCY RATES (Continued)</b>	<b>11-403</b>
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- (A) A rate reestablishment is a process to reestablish a foster family agency program rate for the remainder of the scheduled rate period that could not be established in accordance with Section 11-403(f)(1)(C)1. or was terminated for failure to submit a financial audit report as specified in Section 11-405.219. A program rate shall be reestablished when the Department determines that all applicable rate request requirements have been met.
1. The effective date of the rate for a complete rate request shall be no earlier than the first day of the second month following the rate request due date.
  2. The rate shall be set, based on the lesser of:
    - (i) the provider's most recent rate minus three (3) percent of the administrative rate component per child per month for the number of months a rate request is incomplete or late; or
    - (ii) the current Foster Family Agency Schedule of Rates minus three (3) percent of the administrative rate component per child per month for the number of months a rate request is incomplete or late.

11-403	FOSTER FAMILY AGENCY RATES (Continued)	11-403
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3. A foster family agency rate that is terminated pursuant to Section 11-405.219, shall not be reestablished until the non-profit corporation submits a financial audit report in accordance with Section 11-405.21.

(i) Once the Department has determined that the provider has satisfactorily met the financial audit requirements as specified in Section 11-405.2, the effective date for the reestablishment of the rate shall be when the Department provides written notification to the foster family agency.

| (g) Deviations from the Ongoing Foster Family Agency Rate Request Process

(1) New Foster Family Agency Providers

(A) A new foster family agency provider shall be one who:

1. Has not operated a foster family agency or group home program for AFDC-FC funded children in the fiscal year preceding that for which the rate is being set; or
2. Has operated a foster family agency in the fiscal year preceding that for which the rate is being set but did not accept AFDC-FC funded children during that fiscal year; and
3. Has not merely added a new program; increased the level of services provided; changed incorporation; reorganized; or changed name, location, ownership, or license.

<b>11-403</b>	<b>FOSTER FAMILY AGENCY RATES (Continued)</b>	<b>11-403</b>
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- (B) The rate for new foster family agency providers shall be determined in accordance with Section 11-403(a)(1).
1. The rate effective date for a new provider or a new program shall be the later of the:
- a. date the Department received a complete rate request as specified in Section 11-403(f)(1)(B); or
  - b. date the license was issued; or
  - c. date of first placement
- (C) In order to establish a rate, new foster family agency providers shall submit to the Department a complete rate request in accordance with Section 11-403(f)(1)(B).
- (D) Repealed by Manual Letter No. OPS-03-01, effective 2/13/03.
- (2) New Foster Family Agency Programs
- (A) A new foster family agency program shall be one which:
- 1. Serves an entirely different population at an entirely different level of service than that currently served by the foster family agency's existing program(s); and
  - 2. Is either based in different certified family home(s) than the current program(s) operated by the foster family agency, or the current program(s) operated by the foster family agency is replaced by an entirely new program.
- (B) Rates for new programs shall be set in accordance with Section 11-403(a)(1).
- (C) Foster family agencies requesting a new program rate shall obtain and submit to the Department verification from the host county that:
- 1. The provisions of Section 11-403(g)(2)(A) are met; and
  - 2. The need for the new program(s) is justified.
- (D) Repealed by Manual Letter No. OPS-03-01, effective 2/13/03.
- (3) Program Expansions
- (A) All other changes which do not meet the requirements of 11-403(g)(1)(A) and 11-403(g)(2)(A) above shall be designated program expansions.
- 1. Costs associated with these changes shall be incorporated into the rate request for the following year's rate-setting process.

<b>11-403</b>	<b>FOSTER FAMILY AGENCY RATES (Continued)</b>	<b>11-403</b>
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(h) Administrative Review Procedure

- (1) The administrative review procedure for foster family agencies shall be as specified in Section 11-430.

(i) State Audit Requirements

- (1) Audit requirements for foster family agencies shall be as specified in Section 11-405.1.

(j) Overpayments

- (1) Overpayment requirements for foster family agencies shall be as specified in Section 11-402.6. An overpayment shall be caused by, but is not limited to, the expenditure of AFDC-FC program funds on items not permissible as specified in Section 11-404.

(k) Accounting Requirements

- (1) Accounting requirements for foster family agencies shall be as specified in Section 11-402.84.

(l) Good Cause for Late Foster Family Agency Rate Request

- (1) A provider who is unable to submit a complete rate request by the due date shall be allowed to submit in writing a request for a determination of good cause as defined in Section 11-400g.(1). The good cause request shall be postmarked not later than five (5) calendar days following the rate request due date and shall contain the following:

- (A) A clear statement that the request is for a determination of good cause;
- (B) The specific reason(s) for submitting an untimely rate request;
- (C) The provider's name, address and telephone number;
- (D) The name, address and telephone number of the person to be notified regarding the determination of good cause; and
- (E) The name, location and program number of the affected program(s).

<b>11-403</b>	<b>FOSTER FAMILY AGENCY RATES (Continued)</b>	<b>11-403</b>
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- (2) Within 15 calendar days of the postmarked date of a provider's request for a 30-day good cause extension, the Department shall either approve or deny the request and shall notify the provider in writing of the determination.
  - (A) When the Department approves a request for good cause for a late or incomplete filing of a rate request, a complete rate request is due within 30-days of the postmark of the Department's approval notification or 30 days after the original rate request due date, whichever is later.
  - (B) Rate requests which are not submitted in accordance with Subsection (A) shall be subject to the appropriate penalty contained in Section 11-403(f)(3).
  - (C) When the Department denies a good cause request, the provider shall submit a complete rate request prior to the first of the next calendar month and shall be subject to the applicable penalty provisions as specified in Section 11-403(f)(3). The effective date of the rate shall be set in accordance with Section 11-403(f)(1)(B).

NOTE: Authority cited: Sections 10553, 10554, 11460(b), 11462(a)(3), 11463, and 11466.21, Welfare and Institutions Code. Reference: Sections 11462(a)(3), 11463, 11463(i), 11466.21, 11466.22, 11466.24, 11468, and 11468.2, Welfare and Institutions Code; Public Laws 98-502 and 104-156; Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; *Government Auditing Standards* of the Comptroller General of the United States (Yellow Book); Department of Health and Human Services, Administration for Children and Families letters dated April 19, 2001, February 22, 2002 and May 7, 2002; and Internal Revenue Code Section 4958.



**11-406      DEFINITIONS - FORMS****11-406**

The following forms are incorporated by reference:

- (a) (Reserved)
- (b) (Reserved)
- (c) (Reserved)
- (d) (Reserved)
- (e) (Reserved)
- (f)
  - (1) Financial Audit Report Transmittal, SR 8, (Rev. 4/03) – This form is used by a non-profit corporation to transmit the financial audit report to the Department. In addition, the form must be used by a non-profit corporation which submits a claim for the costs of a financial audit. The completed and signed form would provide the necessary certification that total federal revenue received from all sources for the corporation's most recent fiscal year was less than \$300,000.
  - (2) Federal Revenue Certification, SR 9, (05/03) – This form is used by a non-profit corporation to certify that combined federal funds received from all sources for the corporation's most recent fiscal year was less than \$300,000.
  - (3) Foster Family Agency Data and Certification Sheet (FCR 1FFA, 12/04) – This form is used by a non profit corporation to provide general identifying information and licensing information.
  - (4) Foster Family Agency Days of Care Schedule (FCR 3FFA, 7/03) – This form is used by a non profit corporation to report the number of clients who were served by a foster family agency on a month-by-month basis.
  - (5) Foster Family Agency Program Description Checklist (FCR 2FFA, Rev 2/05) – This form is used by a non profit corporation to report the type of program offered by the foster family agency.
  - (6) Foster Family Agency Total Program Cost Display (FCR 12FFA, Rev. 2/05) – This form is used by a non-profit Foster Family Agency corporations to collect cost information for a specific program.
- (g)
  - (1) Group Home Program - Cost Report (SR 3, Rev. 12/04) – This form is used by a non-profit corporation to report cost information of a specific group home program.
  - (2) Group Home Program - Days of Care Schedule (SR 5, Rev. 12/04) – This form is used by a non-profit corporation to report historical or projected monthly data on the occupancy and licensed capacity of a specific group home program.

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|-----|--|
| (3) | Group Home Program - Payroll and Fringe Benefit Report (SR 4, Rev. 12/04) – This form is used by a non-profit corporation to capture historical or projected monthly data on payroll and fringe benefit costs for a specific group home program.                       |
| (4) | Group Home Program - Program Classification Report (SR 2, Rev. 12/04) – This form is used by a non-profit corporation to capture historical and projected monthly data, which is used to establish a rate classification level (RCL) for a specific group home program |
| (5) | Group Home Program - Rate Application (SR 1, Rev. 12/04) – This is the form used by a non-profit corporation to apply for a group home program rate.   |
| (6) | Group Home Shelter Costs, Self-Dealing Transactions Declaration and Survey (FCR 16, Rev. 2/05) – This form is used by a non profit corporation to assess whether a corporation is engaged in a self-dealing transaction for shelter costs.                             |
| (h) | (Reserved)   |
| (i) | (Reserved)   |
| (j) | (Reserved)   |
| (k) | (Reserved)   |
| (l) | (Reserved)   |
| (m) | (Reserved)   |
| (n) | (Reserved)   |
| (o) | (Reserved)   |
| (p) | (Reserved)   |
| (q) | (Reserved)   |
| (r) | (Reserved)   |
| (s) | (Reserved)   |
| (t) | (Reserved)   |
| (u) | (Reserved)   |
| (v) | (Reserved)   |

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(w) (Reserved)

(x) (Reserved)

(y) (Reserved)

(z) (Reserved)

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11462(a)(3), 11463(i), 11466.21 and 15658, Welfare and Institutions Code.

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